THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

The Present Situation in China

By C. Y. W. Meng

The Issues in the New Civil Warfare

Dangers Involved in the Court Crisis

America's Intentions Regarding Extraterritoriality

Military Diplomacy in Japan

By Li Tz-hyung

Third Kuomintang Congress Elects New Central Executive Committee

By Eva Chang

評論報

SATURDAY, MARCH 30, 1929

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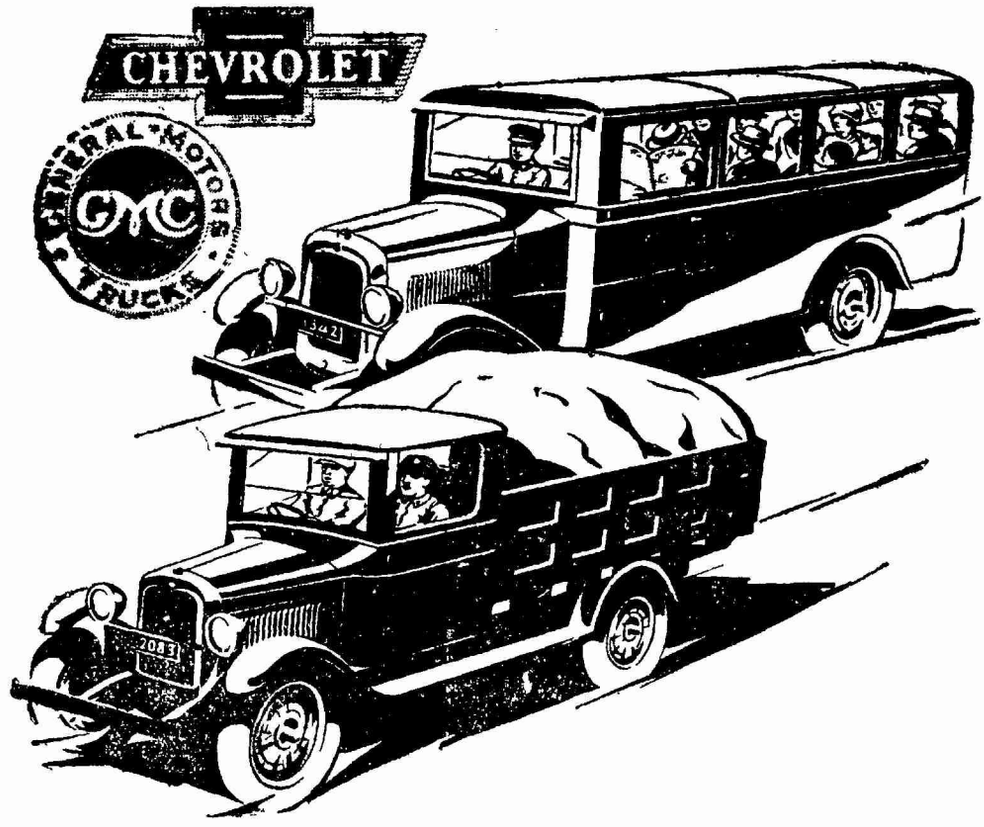

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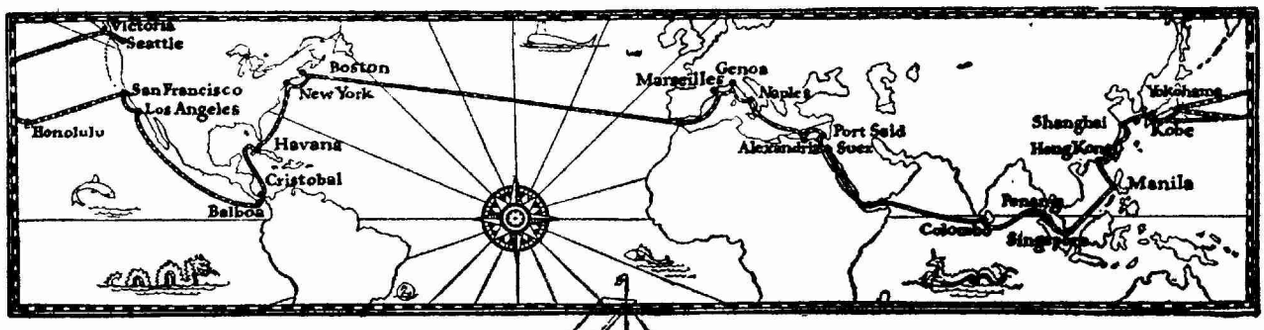

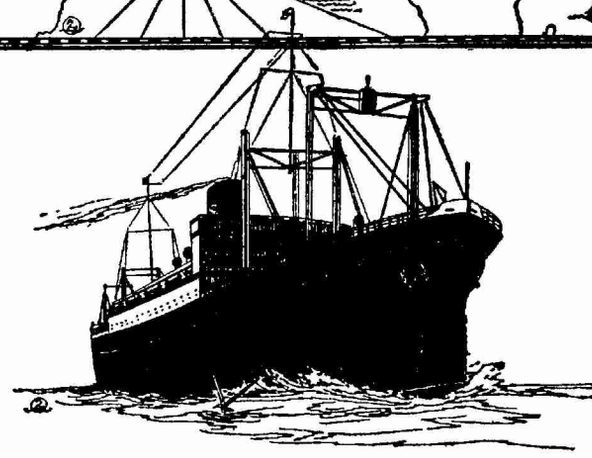

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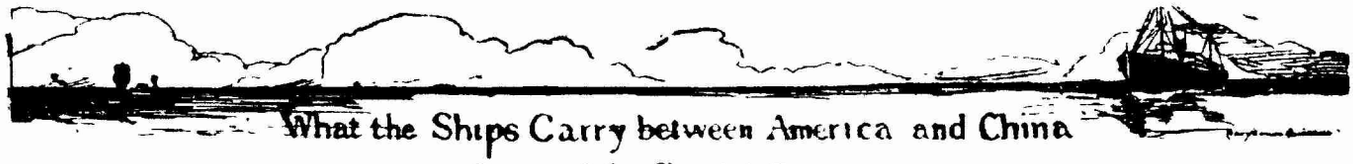

What the Ships Carry between America and China

Return of the Shanghai Customs

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Shanghai	Bls.16 Pls.	53.78
Tea, Green:		
Gunpowder, Ningpo	,,	622
Antimony Regulus	,,	756
Bristles	,,	538
Chinaware, Fine	,,	90
Feathers, Duck	,,	231
Feathers, Goose	,,	89
Hides, Buffalo	,,	489
Oil, Wood	,,	450
Tungsten Ore	,,	1,680
Skins, Goat, Untanned	,,	1,695

BOWES CASTLE, Jan. 24. From U. S. A.

Iron Galvanized:		
Pipe Fittings	Pls.	94
Iron Pipe Fittings	,,	59
Iron Wire Cloth	,,	32
Twine, Cotton	,,	36
Dextrine	,,	32
Oakum	,,	18
Paper, Coated	,,	564
Paper, Unclassed	,,	11
Soda, Bicarbonate of	,,	336
Soda, Caustic	,,	2,284
Tobacco, Leaf	,,	11,217
Tobacco, Stalk	,,	382
Hats, Panama	Doz.	12
Paints	Galls.	44
Cigarettes	Mille	52,850
Machinery	Hk.Tls.	28,841

RADNOR, Jan. 25. From U. S. A.

Iron Wire Shorts	Pls.	1,119
Cotton, Raw:		
American	Bls.4,825 ,,	15,272
Steel Hoop Ends	,,	338
Steel Sheets	,,	840
Steel Bamboo	,,	1,408
Tinned Plates, Plain	,,	840
Shrimps, Dried	,,	142
Wax, Paraffin	,,	885

PRESIDENT JEFFERSON, Jan. 25.

Silk Waste, Refuse:		
Shanghai	Bls.9 Pls.	30.76
Silk, Raw, Steam Filature:		
White, Shanghai	Bls. 340 Pls.	336.84
Tea, Green:		
Gunpowder, Ningpo	,,	31
Bristles	,,	50
Beans	,,	15
Feathers, Duck	,,	89
Egg Yolk, Dried	,,	26
Groundnuts, Kernels	,,	6,579
Groundnuts, in Shell	,,	840
Leather Sole	,,	11
Peanuts, Kernels	,,	7,125
Peas, White	,,	1,680
Wool, Sheep's	,,	203
Skins, Raccoon, Untanned	Pcs.	908
Skins, Lamb, Untanned	,,	10,936
Skins, Mole, Untanned	,,	2,000
Skins, Weasel, Untanned	,,	15,500
Skins, Hare; Uutanned	,,	60,000
Skins, Dog, Tanned	,,	4,148
Skins, Lamb, Plates, Tanned	,,	103
Carpets and Rugs	Hk. Tls.	4,349

POLERIC, Jan 29. From U. S. A.

Brass Sheets	Pls.	27
Lead-foil and Tinfoil	,,	611
Chlorine, Liquid	,,	149
Flour, Wheat	,,	22
Paper, Unenumerated	,,	25
Tobacco, Prepared, in Tins and Packages under 5 lb each	,,	2
Tobacco, Leaf	,,	4,267
Tobacco, Stalk	,,	1,514
Paints:		
Enamels	Galls.	90
Other kinds	,,	2,416

PRESIDENT CLEVELAND, Jan. 29. From U. S. A.

Cotton Damasks	Yds.	636
Artificial Silk and Cotton Piece Goods	,,	1,985
Artificial Silk Piece Goods	,,	847
Aluminium-foil	Pls.	139
Apples, Fresh	,,	19
Bacon and Hams	,,	11
Butter	,,	168
Cheese	,,	4
Cobalt, Oxide of	,,	15
Herrings, Salt	,,	113
Flour, Wheat	,,	1,139
Ink, Printing	,,	787
Lead-foil and Tinfoil	,,	1,245
Paper, Printing (Wood free)	,,	2,906
Shrimps, Dried	,,	103
Hats, Felt	Doz.	12
Stockings	,,	75
Paints: Varnishes	Galls.	135
Cigarettes	Mille	50,025
Machines Knitting	Pcs.	4
Motor-cars	,,	41
Motor-trucks	,,	17
Dyes, Aniline	Pkgs.42 Hk. Tls.	5,407
Machinery	,,	30,082
Motor-cars, Parts of	,,	770
Motor-trucks, Parts of	,,	102

Latest New York Stock Exchange Quotations

Swan, Culbertson & Fritz. Tel. 18891-18990 March 27.
Market After Weakness Closed Steady.
Business Done 8,246,700 Shares.

STOCK	Fri. Mar. 1	Monday Mar. 25	Tuesday Mar. 26
Alleghany Corp		29⅝	33⅞
Allied Chemical & Dye (Com.)	303	272¼	274
American Can (Common)	123⅜	117⅜	119½
American Smelting	125⅛	110¾	109¼
American Tel. & Tel. (Com.)	216½	212	209⅞
American Tobacco "B"	176¼	166	163
Armour & Co. "A"	16	12⅝	12¼
Armour & Co. (Ill.) 7% Pfd.	83	78	75½
Anaconda Copper	151¾	155	153¾
Andes Copper	67	55	56
Atlantic Refining (Com)		58¾	58
Baltimor & Ohio	131½	120	120
Bank of Montreal	372	None	None
Bethlehem Steel (Common)	105⅝	98	99½
Calumet & Hecla	60⅜	51¼	48⅜
Campe Corp.	100	None	None
Canadian Pacific Railway	255	234	231
Chrysler	107	100½	97¾
Consolidated Gas of New York	112⅝	102	100⅜
Continental Diamond Fibre		26⅜	26
Coty Incorporated	68½	62¾	60½
Davison Chemical	62½	57⅛	52½
Dry Docks	21½	None	None
Du Pont de Nemours	188	180¼	176
Fox Film "A"		88	85⅝
General Electric Co.	249	225¼	228½
General Motors	83⅜	82⅜	82½
General Railway Signal (Com.)	108½	98¼	96¾
Gold Dust	74	60	61
Goodrich Rubber	97½	90	91
Granby Consolidated	94⅝	94	93¾
Great Western Sugar		35⅛	33⅛
Haygart	65½	72	71½
International Cement (Common)	97⅜	86½	88½
International Match, Pfd.	92	84	79½
International Nickel (Common)	67	50	43⅞
International Printers Ink	57¼	54	52
International Products Corp. (Com.		9⅞	None
Kelvinator	16	14	13
Kennecott Copper	91⅛	90⅛	89⅞
Liggett & Myers, Class "B"	89⅜	86⅞	84
Mack Trucks	110	99⅛	96
Madison Square Garden	23¾	Mult.	20
Marland Oil		38	38¼
Mathieson Alkali		190	185½
Missouri Pacific (Com.)	63½	73¼	74½
Nash Motors		101⅜	97¼
National Dairy Products	131	121⅞	119
National Distillers Pfd.		75	75⅝
Nevada Consolidated Coppor	58¾	52	50½
New York Central Railroad	199½	183¾	181½
Norfolk & Western	199¾	192	199¾
North American Aviation	16⅛	14¾	14⅜
Packard Motor Car Co. (Com)	146½	128½	130
Paramount Lasky	65½	61⅞	61¼
Pennsylvania Railroad	79⅝	73⅛	73½
Phillips Petroleum	39	39½	39
Radio Corporation	397	91½	93
Reynolds Tobacco, "B"	67	54¼	53½
Shell Union Oil	27½	27¾	27
Southern Pacific Railway	134⅜	124	125½
Standard Gas & Electric (Com)	92	83⅝	83⅞
Standard Oil of New Jersey	48¾	51⅝	53
Standard Oil of New York	40⅛	40⅛	40
Texas Corporation (Common)	59¼	62	61½
Texas Gulf Sulphur	76¼	74⅜	76
Timken Roller Bearing	85⅜	77	76
Union Carbide	216½	208	221
Union Pacific Railroad (Com)	230	211½	214
U. S. Inter. Security Pfd.		None	None
United States Leather "A"	51½	44	41
United States Realty & Imp Co.	95¼	87	85
United States Steel	191⅝	177¾	178⅜
Vanadium Oil	125	123½	115
Vanadium Corp.	109¼	82¼	84⅛
Warner-Quinlan (Com)		34	33⅜
Westinghouse Elec. (Com)	160½	146½	147
Willys Overland Co.	31½	27⅜	26
Wright Aeronautical	205	243	240½

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* No. 1	d.18.00	a. 2.16 d. 2.56	a.17.15 d.17.35	d.11.49	a.14.20
* No. 11	d. 9.55	a.19.27 d.20.07	a.13.26 d.13.46	a.12.18 d.12.23	a.16.05
* No. 3			d.13.15	a. 7.18 d. 7.21	a. 9.50
No. 9	d. 9.40	a.18.21 d.19.01	a 10.50		
No. 23	d. 5.40	a 21.44			
No. 25		d. 3.45	a. 5.05		
No. 27			d.10.06	a.20.07 d.20.37	a. 2.33
No. 75				d.13.00	a.17.05

From Hankow to Peiping

Station / Train	Han-kow	Hsiao-kan-hsien	Cheng-chow	Shih-kia-chuan	Pei-ping
* No. 2	d.18.00	d.20.39	a.14.28 d.14.48	a. 5.05 d. 5.45	a.13.50
* No. 12	d.10.50	a.14.51 d.14.56	a.13.13 d.13.33	a. 7.32 d. 8.12	a.17.30
* No. 4	d.13.30	a 16.01 d.16.03	a 10.05		
No. 10			d.17.41	a. 9.33 d.10.13	a.18.35
No. 28	d. 1.00	a. 7.00 d. 7.20	a.17.34		
No. 26			d.22.34	a. 2.15	
No. 24				d. 7.40	a.20.06
No. 74	d. 7.45	a.11.39			

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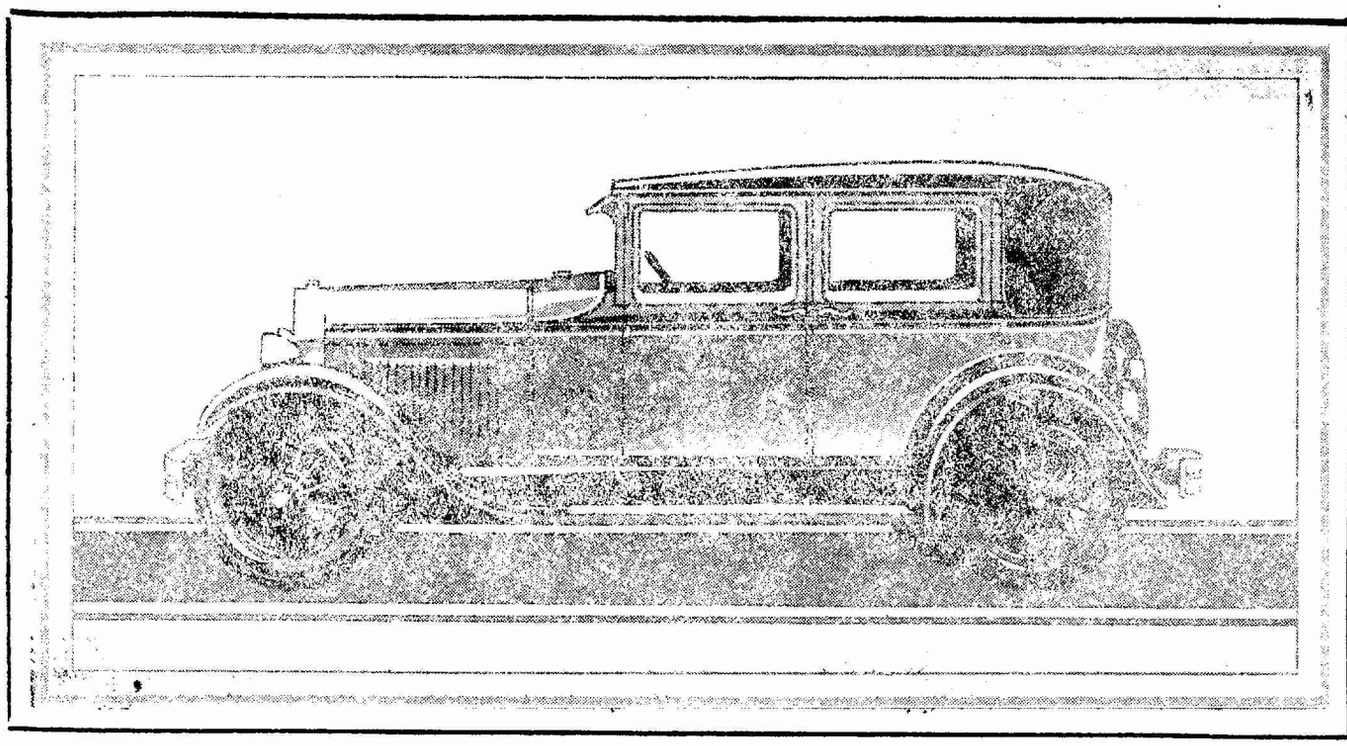

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THE ISSUES IN THE NEW CIVIL WARFARE

ALL OF THE die-hards and calamity-howlers who have forecasted disaster for the National Government can now join in the chorus, "I told you so!" The Nationalists have split up into two major opposing factions; war mandates have been issued from both camps; troops have been mobilized; the fight is on! Then in addition to all of the other forecasters of disaster, Japan can also join in the "I told you so" chorus and Japanese ministers and ambassadors in various world capitals, especially Washington and London, can explain that Japan knew more about the situation than the West, hence Japan was right in not being stampeded into a recognition of the Nationalist regime and a relinquishment of Japan's "special rights." It's a great day for the die-hards, both yellow-skinned and white, for the Nationalist movement from which China's well-wishers hoped so much, has gone on the rocks of internal discord and from present prospects much time and effort will have to be expended before they can recover the goodwill which they have lost.

And what are the reasons and what are the issues—if any—aside from the element of personal ambitions and selfish intrigue for power? The forecasters of calamity for the modernized National Government will tell you that while the recent revolution brought in new faces, it did not change Chinese character and that abuses which caused the failure of the 1911 revolution are still present despite the fact that a new generation of political and military leaders are at the helm. A foreign friend who "knows all about China because he was born here" tells us that he knew all the time that the Nanking Government could not succeed because everybody wanted to be dictator and nobody had sufficient patriotism to step aside; while a Chinese friend, a newspaper publisher, tells us that the chief cause was the attempt of the National Government "to go too fast with its reforms," and thereby provided ammunition for its political enemies at home and abroad. There is food for thought in this suggestion because recently the Chinese newspapers have been filled with resolutions against the government on the part of merchants who didn't want to be subjected to the new taxes that are supposed to replace likin; the protests of the old-style doctors, who do not want to be put out of business by the modern scientifically-trained practitioners, and want to continue the use of herbs and other nostrums; the protests of the pork-butchers who don't want to be sanitary; the protests of the chambers of commerce who do not wish to be reorganized or abolished; the protests of the native priests who don't want to be kicked out of the temples, and so on, etc., etc.

At any rate China's enemies are elated and her

friends discouraged because the Nationalist movement has split even before the new National Government could get its feet firmly on the ground. And what are the reasons? Mr. C. Y. W. Meng, a young Chinese lawyer who contributes political articles to the columns of this newspaper, discusses the question elsewhere in this issue and points to the analogy of the early days of the American Republic when every state wanted to be independent to maintain its own army, coin its own money and do as it pleased. There are points of similarity, for behind the present crisis is the issue of "centralization" against "decentralization;" the issue of the Central Government against the branch political councils. That is all made clear in Gen. Chiang Kai-shek's declaration, but on the side of his opponents in the so-called Kwangsi faction, there are charges that Gen. Chiang has been trying to imitate Mussolini, Kemal Pasha, Stalin, and the rest of the dictators who have sprung up since the World War. Certainly the issue is not yet sufficiently clear to be analyzed merely from the public declarations of the opposing leaders. On the surface Nanking has the best of the argument from the standpoint of legality and Nanking deserves especial credit for carrying through the Third Kuomintang Congress, despite the fact that the congress was allegedly largely packed with Nanking adherents. From the standpoint of superficial public opinion Gen. Chiang made a mistake in arresting his chief opponent, Gen. Li Chi-sum, the Kwangsi delegate who had been promised personal protection before he went to Nanking to attend the session. Aside from the brief statement that Gen. Li was concerned in a plot in Nanking, there has been no definite explanation of the reasons for Gen. Li's arrest—and according to rumor, his threatened execution. It is stated that the four leading members of the Government who promised him protection, have been going out to the place where he is detained and spending the time with him to prevent foul-play. On the other hand, Gen. Chiang's adherents allege that there has been a widespread plot against the Government that dates back to the execution of Gen. Yang Yu-ting in Mukden several weeks ago at the hands of Gen. Chang Hsueh-liang, the nominal Manchurian leader who is in alliance with Gen. Chiang Kai-shek. It is said that Gen. Yang was in an allince with Gen. Bei Tsung-chi to carve out a sphere for themselves in the North and that the Government was tipped off regarding the plot by Gen. Yen Hsi-shan when he was in Nanking at the recent Military Reorganization Conference.

Mention of Gen. Yen Hsi-shan, the controller of Shansi and the Peiping area, naturally brings to mind his powerful rival in the North, Marshal Feng Yu-hsiang. What is Feng going to do? This is the universal question and it is usually answered by the forecast that "Feng is sure to come out on top, regardless of what happens." Shortly after the conclusion of the military conference Feng returned to Honan a sick man, physically and politically. Up to the present he has not declared his intentions and he may remain neutral, one reason being that if he joined one side, his rival, Gen. Yen Hsi-shan, might join the other. One thing that is certain, Feng has the most loyal army in China and has succeeded in keeping it intact and has gradually spread his influence despite the fact that most of his territory is famine-stricken. The settlement of the Tsinan incident with Japan should help Feng through enabling him to occupy Shantung Province, but it was noticeable that General-Baron Tanaka, Japanese Premier, announced that "while the Tsinan incident had been settled, it was possible that the withdrawal of the Japanese troops from Shantung might be delayed because of the new outbreak of civil war in China." What apparently has happened is that Japan has taken advantage of the present crisis to get a better deal out of the Tsinan affair than she would have gotten otherwise had everthing been peaceful and unified throughout the country. It was also noticeable that Gen. Chang Chung-chang, the ex-tupan-bandit controller of Shantung who has re-established himself behind the Japanese lines in northern Shantung took on a new lease of life and renewed his attack on Chefoo the very next day following the announcement of the settlement of the Tsinan incident. Later dispatches report that he has capured Chefoo, the chief port on the northern side of the Shantung Peninsula. A foreign newspaperman, recently in Dairen, the Japanese city in Manchuria where Chang Chung-chang has been residing, stated that when Gen. Chang was asked regarding the extent of his financial resources, he opened a large chest in his office and it was filled to the top with Japanese bank notes, the smallest denomination being 1,000 yen bills.

What is likely to happen? There are a variety of answers! Members of the Nanking Government claim, or at least express the hope that it will be a short war ending in success for the central authorities and a victory for "centralization" that would permit the Government to proceed with its reconstruction plans in the fields of finance and railroad-motor-road construction, thus providing employment for the surplus soldiers, an element which in itself constitutes a chief underlying cause of the present trouble. The Government can't disband the troops because it hasn't sufficient money and it can't get any money ahead because the soldiers eat up all the revenues of the central treasury and then take the railway, salt and provincial revenues in the bargain. It's a vicious circle that has no end. There can be no domestic peace until the Government can get its reconstruction program going and it can't start its industrial and reconstruction program until it can obtain loans from abroad—and it can't obtain funds abroad because there is no confidence in the future stability of the Government. More circles! Obviously a major problem for the economists!

Opposed to those who are hoping for a "short, sharp" war are those who forecast a long bitter struggle that will leave both the Nanking and Kwangsi groups exhausted and thus pave the way for a fresh development or radicalist agitation and possibly domination of the entire political situation. There are some who forecast that when that time comes, Marshal Feng Yu-hsiang or Chiang Kai-shek may emerge as the real Chinese Mussolini and govern the country through an alliance with the so-called "Left" faction in the Kuomintang. It is noticeable that while Marshal Feng has announced that he will support the "Central Government" he has not, up to the time of writing, given any definite indication of his preference as to the personnel of the Central Government that he ultimately intends to support!

AMERICA'S INTENTIONS AS TO EXTRATERRITORIALITY

THE *China Times*, one of the leading Chinese newspapers in Shanghai, published a dispatch from Washington on March 25 which gave such a clear exposition of the American attitude in respect to the abolition of extraterritoriality, that the dispatch had the appearance of having been inspired by someone in the A merican Capital who really know what is going on. The dispatch started out by explai

ing that there had been no change in American policy toward China since the negotiation of the Tariff Autonomy Treaty last year and that the American Government is now willing to negotiate an equally satisfactory treaty with China on the question of consular jurisdiction. It was stated that the Senate Foreign Relations Committee had held conferences on the subject with Mr. Kellogg, Secretary of State and with Dr. Hornbeck, chief of the Bureau of Far Eastern Affairs of the State Department, and as a result of these conferences it was stated that as soon as China is in a position through the development of her courts of law to guarantee the safety of American lives and property, that the American Government would voluntarily relinquish exterritorial jurisdiction over its own citizens residing on Chinese soil "even without the conclusion of a treaty on the question." In reference to the Report on Extraterritoriality which was issued by the Strawn Commission three years ago, it was stated that while this report did not favor China, the United States "was doing its best to encourage the Chinese Government to improve its system of judicial administration and had 'repeatedly' instructed the American consuls in China to the effect that in certain cases where Americans were involved, that such cases be tried in Chinese courts." Mention was also made regarding certain alleged divergent views which are held in Washington regarding a plan of 'gradual' relinquishment of extraterritorial jurisdiction, one idea being that China should employ foreign judicial advisers similar to the system in the Chinese Post Office. It was stated, however, that officials of the American Government do not consider this plan a workable one and rather favor a plan which would provide for a gradual discontinuance of consular jurisdiction "in places where Chinese judicial administration has been developed," but reserving the right to appeal to the consular courts in cases where it is considered that justice has not been rendered. Then when the Chinese judicial administration has been still further improved, the right of appeal to the consular courts would be cancelled entirely. In conclusion it was stated that since several countries have already made treaties with China on the subject of abolition of extraterritoriality which have clauses reserving final action "until a majority of the Powers represented at the Washington Conference have taken similar action," it is thought that the United States should proceed to the negotiation of a new treaty immediately without waiting for the expiration of the Sino-American treaty in 1934.

THE NEW AMERICAN MINISTER TO CHINA?

THE REPORT from Washington, which appeared in the *Japan Advertiser* on March 16 that President Hoover may appoint Mr. Richard T. McDonnell, an American engineer of Tientsin as Minister to China is interesting, particularly in view of the fact that this report was coupled with another that the President was planning "sweeping changes" in the diplomatic service and in all probability would select men from business life and the professions rather than the so-called "career men" for the higher diplomatic posts. Mr. McDonnell, who has been mentioned for the China post, was formerly a captain in the Fifteenth Infantry stationed at Tientsin but retired sometime ago to engage in the profession of engineering. The report in the *Advertiser* stated that Mr. McDonnell had been in Washington and had started back to China but was recalled for a conference with Col. Stimson, Secretary of State, which, apparently was responsible for the rumor that he may be appointed Minister.

"Mr. Richard Timothy McDonnell was born at Boston on May 1, 1886. He received his education in the preparatory collegiate department of Boston College, and shortly after graduation entered the United States Army. He arrived in Tientsin and joined the Fifteenth Infantry with the rank of Lieutenant in 1917, and retired with the rank of Captain in 1919. After serving for a short time with a firm exporting strawbraid, he was appointed acting secretary of the Haiho Conservancy Board during the absence of the secretary, Mr. Hussey-Freke who was home on leave. In August, 1922, Mr. McDonnell started in business in Tientsin as an engineer and building contractor and in April, 1923 he was joined by N. A. Gorman, the firm since being known as McDonnell and Gorman. The firm has been responsible for the execution of several large engineering projects in North China and Manchuria. Mr. McDonnell has served on various occasions as president of the American Chamber of Commerce of Tientsin and the American Association of North China and at the present time is an American member of the Municipal Council of the British Concession at Tientsin. He was married in August, 1923 to Miss Maude Wooster and they have two sons, aged four and three years respectively."

Much has appeared in the American newspapers and magazines lately which indicates the possibility that President Hoover may attempt a reorganization of the State Department, to place it on an efficiency basis similar to that which prevailed in the Department of Commerce under Mr. Hoover's secretaryship. Such a reorganization of the State Department has long been overdue. Recently one of the leading American magazines published an article by a former American Minister who had served in one of the South American republics which, in the words of the sub-title, "revealed the red tape and a few of the sacred cows of the State Department." The article consisted largely of a record of the Minister and his experiences with the Department which were such as to deaden all initiative and convert the average foreign service officer into an automaton. It was a long heart-breaking record of letters unanswered and carefully prepared reports filed away in pigeon-holes never again to see the light of day until some future generation of clerks will dig them out and bind them in book form. According to this Minister about his only direct contact with the Secretary of State was through letters of introduction which the Secretary supplied to his political friends who were making world tours and desired to be introduced to the president of the country where the Minister was stationed. Obviously there is something wrong with a Department of the Government that quickly turns bright young men into machines who lose their initiative and finally become mere cogs interested only in doing sufficient work to hold their jobs long enough to be promoted to the next higher grade. Recently, there has been much undeserved criticism of the so-called career men. The trouble is not with the men, but with the system. The young men who select diplomacy as a career, obviously, are on a par with other young Americans who choose careers in business and the professions; hence there must be something wrong with the system which causes these men to lose their initiative and become, as stated, merely cogs in the machinery of the State Department.

THE POLICE FORCE AND THE STATUS OF THE SETTLEMENT

THE SHANGHAI Municipal Council has issued the first part (of the usual three parts) of the Annual Report covering the activities of the Municipal Council last year, on the basis of

which the Ratepayers in their annual meeting next month will be asked to pass the budget for the coming year. The most interesting parts of the Report are the sections devoted to the Police and the Volunteer Corps. Both services plead for more personnel. The Shanghai Municipal Police Force of the International Settlement, (which is but one of the three units comprising the district known as Shanghai, the others being the French Settlement, and the large area under Chinese control) costs yearly three million taels, that is, just under two million gold dollars. Now Capt. E. I. M. Barrett, the Commissioner of Police, asks that the Force be increased, which of course means that more money will be asked to operate the Force. One of the principal aims which the Shanghai Municipality hopes to accomplish in operating a large Police Force is to perfect an organization which shall make it as difficult as possible for the Chinese community to regain possession of the Settlement. Under the existing conditions, the Settlement forms an *imperium in imperio*, in which rich Chinese may live to a large extent independent of the laws and taxes of their own country—whose wealth has in the majority of cases been amassed because of the advantages they have enjoyed as residents of the Foreign Settlement. The great mass of Chinese beyond the Settlement realize that this is the situation, and there is an undercurrent of resentment apparent throughout all of China because of the fact that by reason of existing conditions, Chinese living in Shanghai are able to escape their just (and in many cases probably unjust) share of the financial burdens of the country as a whole. With this atmosphere as a background the criminal element of China directs its greatest attacks on Shanghai, and particularly on the rich Chinese in Shanghai, who have in some cases voluntarily, and in other cases involuntarily, placed their wealth behind the combined flags of foreign nations. Probably half the work that the Shanghai Municipal Police are called on to do has its origin in the state of affairs above described, and quite apart from the fact whether Police under foreign control are more efficient, or less efficient, than under Chinese control the fact remains that it would require a sum of money that would bankrupt even rich Shanghai to maintain a Police Force which could reduce to any appreciable degree the constantly recurring, almost nightly, cases of highway robbery, kidnapping, burglary and murderous assaults. The overwhelmingly Chinese sentiment is against the continuance of the Settlement under foreign control, and what the Police of Shanghai are mainly engaged in—they together with the assistance of the Volunteer Corps, —is to build up armed ramparts that will assist in maintaining Shanghai as a foreign Settlement. The cost of maintaining Shanghai under existing conditions is stupendous, and there is not the least doubt that if Shanghai were returned to Chinese control, through some cooperative plan, the proportion of crime would greatly decrease, for the reason among others that the conditions which make wealthy Chinese who reside here an object of attack would largely disappear.

The Commissioner of Police in the course of his report presents the situation from his point of view, under the sub-heading "Chinese newspapers" as follows:

> 'Since the advent of the National Party to power, a change for the worse has been noticeable in the attitude of the Chiness Press generally towards the Municipal Council and foreigners generally. Every wild rumor picturing foreigners or the Foreign Administration in an unfavorable light is published as reliable news and every incident calculated to cause friction between these parties and the Chinese population is accorded a space in a conspicuous part of the newspaper and exaggerated to the utmost. In an effort to create propaganda favorable to the portion of the policy of the National Government which adversely affects foreigners resident in China, interviews are invented and statements attributed to prominent visitors to the country which were never given or made and with which the parties concerned have no sympathy. While hostility of this nature is frequently displayed, useful and constructive suggestions are seldom forthcoming."

Since it is inevitable that the International Settlement will, sooner or later, be returned to complete Chinese control, it would seem that the authorities in command of the foreign area would be on much safer ground if, instead of trying to build up a defense force here, they would be taking steps toward the working out of some plan for cooperation with the Chinese authorities that would permit the Chinese to shoulder part of the burden of protecting the Settlement. Obviously, it is impossible for the Settement, without the support of the Powers, to ever develop a defense force here that would be able to stand up against the forces that the Chinese Government might be able to marshal should that Government ever decide to "take" the Settlement by force. In view of this situation, the development of a constantly increasing foreign force here can only have the effect of aggravating an already serious situation. The sensible way of settling this question would be for the Powers chiefly concerned in the foreign settlement, to officially take up with the Chinese Government the question of the future status of the International area. Both sides could then appoint delegates and an adjustment of the problem to the satisfaction of all parties concerned could be arrived at. Obviously, the Chinese Government as at present constituted, has no desire to use other than peaceful means in the settlement of the problem involved in the future status of the foreign area. But there is no guarantee that the present "moderate" Chinese Government now in power, will continue in office indefinitely. Therefore the high necessity of giving serious and immediate attention to this important question which is fraught with possibilities, the seriousness of which need not be discussed to be instantly realized. The Chinese residents of the Settlement, while in a majority here, are in a minority as compared with the Chinese outside of the Settlement. While wealthy Chinese residing in the Settlement are doubtless glad to obtain foreign protection, events in the recent past have always shown that Chinese public opinion in the Settlement cannot stand up against Chinese public opinion outside of the Settlement. Therefore, should a crisis again develop, the foreign support of a Chinese minority in the Settlement, would in all probability have consequences just as disastrous as foreign support of minorities in Europe has been.

DANGER INVOLVED IN COURT CONTROVERSY

JUDGING from all accounts the principal occupation of the authorities at the Shanghai Provisional Court is squabbling about the procedure instead of attending to the business of trying cases. Protests by deputies of either this or that nationality, all deputies of the Senior Consul, who

is Mr. E. S. Cunningham, the U. S. Consul General at Shanghai, against some action taken by the Chinese judges are matters of almost daily occurrence. In the thick of the fray usually are Mr. Van den Berg, the Dutch deputy, and F. Ramindino, the Italian deputy.

The most prolific protest writer among the Provisional Court deputies is Mr. Ramindino, the Italian deputy. A recent lengthy protest by him concerns the case of a Chinese lawyer against whom the Municipal Police had brought a charge of "employing threats and interfering with personal liberty." The case was heard by Judge Hyui, with whom sat Mr. Ramindino. The Judge dismissed the case. As a peroration to an extremely long protest, Mr. Ramindino wrote:

> "The experiences of the past two years in the Provisional Court show clearly that the Judges regard the Senior Consul's Deputies as an obstacle to their freedom of action. The Deputies consistently oppose and frustrate the manipulation or disregard of the law by the Judges and/or the extra-Settlement Authorities in the constant attempts of these latter to gain their own ends. The Judges, therefore, feel that the only way to free themselves of this incubus is to muzzle the Deputies, hence the distorted interpretation placed by the Judges on the Rendition Agreement. I have no hesitancy in characterizing the trial of this case as a travesty of justice."

The Judges and the Dutch deputy, Mr. Van den Berg, have for the past several weeks been in a heated controversy concerning the deputy's action in attempting to prevent a Chinese lawyer from practising, because of the latter's alleged misconduct. The essential point in dispute is contained in the following paragraph in a letter recently written by Dr. Ho Shih-tsung, president of the Provisional Court, to the Senior Consul regarding the matter:

> "Lawyers who have misconducted themselves in court may be forbidden to speak or forbidden to practise in court or handed over to the Lawyers' Punishment Commission for punishment, but all this must be carried out according to the Chinese laws for the organization of law courts, and the regulations governing lawyers. Judges who are empowered to deal with lawyers must carry out these punishments according to the laws, and the Senior Consul's Deputies who are not empowered to do so have violated the Rendition agreement in doing so."

As a result of the Judges refusing to sit with Mr. Van den Berg because of his action in disbarring the Chinese lawyer in question, Mr. Van den Berg later cancelled the suspension order, by writing an endorsement on the Court charge sheet as follows:

> "The actions of attorney Tsu Zu-ching, which took place on February 23, 1929, outside the Court and which I considered acts of contempt, having been made the subject of a criminal prosecution in this Court—implying an investigation into the facts which, if they were proved, would in my opinion justify disbarment—I hereby cancel my provisional suspension order of March 14.—(signed) J. Van den Berg."

The cancellation by Mr. Van den Berg of his previous order suspending the Chinese lawyer from practise has by no means ended the controversy. The Judges feel that Mr. Van den Berg's actions call for an apology and also an assurance that no such action will be taken by any deputy in the future. Pending such apology the Chinese judges, in support of Judge Koh, and under the leadership of the president of the Court, Dr. Hoh Hsi-tseng, have maintained an attitude of non-cooperation with Deputy Van den Berg, and each time that Mr. Van den Berg has sat on the bench with a Chinese judge, the Judge has insisted on adjourning the cases *sine die*, and with equal regularity Mr. Van den Berg has added another protest. On Tuesday of this week, Mr. Van den Berg in addition to the usual formal protest, added the following rider: "I request the Shanghai Municipal Council not to be so foolish as to support the judges in their uncompromising attitude and their refusal to do their duty." Thus we have the spectacle of a member of a Body (that is, the Consular Body) who theoretically is above the Municipal Council, actually appealing to its subordinate Committee (that is, the Municipal Council) for assistance. The same day, Mr. S. Fessenden, the Chairman of the Shanghai Municipal Council, wrote to Mr. E. S. Cunningham, Senior Consul (both, by the way, being Americans) saying that the Council must insist that if the Judges maintain their present attitude the Consuls should authorize Mr. Van den Berg to try the cases sitting alone.

Sweeping aside the charges and counter-charges and propaganda which are beclouding the issue, the present trouble, in simple words, is nothing more than a repetition of the complications which finally resulted in the rendition of the old Mixed Court to the present form of a "Provisional" Court under Chinese control. The trouble with the protests from the foreign deputies is that they have to penetrate an atmosphere of Chinese suspicion which has resulted from a long history of foreign encroachment upon what the Chinese consider to be their own judicial prerogatives. The present tense political crisis is also serving to aggravate the situation just as it did in 1925 when the Chinese agitation reached such a height as to force the Powers to take action and return the Court to Chinese control. While the Powers, or to be more definite, the United States and Great Britain, really wanted to settle the Mixed Court controversy to the satisfaction of the Chinese in order to definitely remove this serious cause of Sino-foreign animosities, the local powers-that-be in the International Settlement, have had no intentions whatever of concurring in the adjustment of the trouble which was reached following the May 30 troubles of 1925. While the old Mixed Court was a foreign court without appeal, the present Provisional Court is a Chinese institution, with machinery for appeal to higher Chinese tribunals. Under the old system, the foreigners, particularly the foreign assessors (vice-consuls) and the Shanghai police department "ran" the court and could obtain any decision desired. Now the situation is entirely reversed and the Chinese have the last say. It would require the services of a judicial commission of trained experts to determine the rights and wrongs of the present situation, that is, from the standpoint of the Chinese and foreign sides. But the fact that certain foreign interests have no intentions of giving up control of the Court is indicated in recent propaganda dealing with the alleged iniquities of the Provisional Court which have been spread over the world by foreign interests in recent months. (See issue of *The Review* for Feb. 9, Page 440). Since the controversy over the Mixed Court following the May 30 incidents of 1925 resulted in the rendition of the Court to Chinese control, there is strong likelihood that the present controversy may lead in a similar direction. When the old Mixed Court controversy was settled the title of the Court was made "Provisional", but once again it seems that the foreign authorities are trying to take advantage of an untoward Chinese political situation to make the present status of the Court *permanent*. But it is more than probable that the continued pin pricks which the Chinese authorities are made to suffer will eventually once more bring Chinese indignation to such a pitch that they will demand absolute control of the Court, without even a semblance of any foreign deputies, or any other kind of foreign influence, advice or control.

CHINESE OBJECTIONS TO THE SALE OF THE S. M. E. D.

AS A RESULT of objections which have been raised in Chinese circles against the proposed sale of the Electricity Department of the International Settlement to private interests, Mr. Wunsz King, Chinese Commissioner of Foreign Affairs, according to a report by the *Ta Chung* news agency on March 22, has lodged a formal protest against the proposed sale. Mr. King's communication, which was addressed to Mr. E. S. Cunningham, Senior Consul, was as follows:

"Pursuant to frequent petitions from the Chinese General Chamber of Commerce and the Shanghai Special Municipality, I have to point out that the Electricity Department, being a public utility which is depended upon chiefly by the Chinese, its sale to private interests, would certainly produce abuses usually connected with monopolies . . . There is no need to point out to you the serious effects of such a measure; therefore I must protest against such a move by the Settlement and request that you refrain from such a step. I must further state that the sale of the Electricity Department to private interests, will not be regarded as valid."

The Chinese Ratepayers (tax-payers) Association, which represents Chinese commercial interests in the International Settlement and which is responsible for the election of Chinese members to the Municipal Council, has also lodged a formal protest to the following effect,

CHINESE RATEPAYERS' ASSOCIATION'S DECLARATION.

The Electricity Department of the Shanghai Municipal Council is established under the co-operation of, and with the revenues contributed by, the residents of the International Settlement, particularly the Chinese residents who constitute upwards of 95 per cent, of the Municipal population and contribute more than 55 per cent. of the Council's revenues. In point of principle and justice, this public monopolistic enterprise cannot be disposed of without the assent of the community as a whole.

On January 31, 1929, the Chinese Ratepayers' Association solemnly protested against the proposed sale of the electricity plant to private interests as contemplated by the Shanghai Municipal Council. It was reported in the local foreign and vernacular press of March 20 that the Council in disregard of the interests of the community and public opinion had organised a special committee for the intended purpose and tenders had been received and opened.

In view of the interests of the residents of the Settlement, and in accordance with the modern political tendency of government ownership of public utilities, this Association hereby declares to the public, and particularly to the prospective purchasers:

"That the Electricity Department of the Shanghai Municipal Council is established under the co-operation of, and with the revenues contributed by, the residents of the International Settlement. It is a public monopolistic enterprise and should not be run by private interests. If the transfer of its ownership is effected without the assent and concurrence of the Shanghai Chinese Ratepayers' Association, a representative organ of the Chinese residents of the Settlement who constitnte upwards of 95 per cent. of the Municipal population and contribute more than 55 per cent. of the Council's revenues (Their contributions in point of fact exceed this number, which was given in the Council's memorandum of July 18, 1926, if the taxes on Chinese property registered under foreign names are to be included in the calculation), such a transfer will be, in point of principle and justice, null and void."

This Association hopes that the prospective purchasers will immediately take note of the above declaration, and refrain from the purchase of the Municipal electricity plant.

SHANGHAI CHINESE RATEPAYERS' ASSOCIATION"

Since these various Chinese protests have been sent to the Minister of Foreign Affairs of the National Government, it will be impossible for the Government to ignore them, hence it is quite possib e that the subject ot the proposed sale of the plant may shortly become a matter of diplomatic discussion between China and the Powers concerned in the control of the International Settlement. As stated in previous discussions of this subject in *The Review* (see issues of Feb. 2, March 9, 16 and 23) the Chinese objections to the proposed sale are based on three general grounds: (1) Political—based on the general Kuomintang objection to foreign monopolistic control of public utilities: (2) the alleged failure of the Shanghai municipal authorities to consult the Chinese who have an interest in the plant due to the fact that the Chinese population constitutes 95 percent of the total population of the Settlement and contributes from 60 to 80 percent of the local municipal taxation revenues which have gone to the upbuilding of the Electricity Department; (3) the knowledge that if the plant is not sold it will ultimately revert to Chinese control when the Chinese come into the administration of the International Settlement. In view of the fact that the foreign authorities of the Settlement have admitted the legal right of the Chinese to participation in the local government, through formal action granting the Chinese three members on the Council and six members on the administrative committees of the local government, it is difficult for an outsider to understand why the Chinese have been ignored on the whole question of the proposed sale. Of the three listed reasons for Chinese objections to the proposed sale, this element is probably the most fundamental for the Chinese, being normal human beings, naturally do not like being ignored on questions affecting their welfare. Obviously, anyone familiar with political happenings in China in the past three years, should be aware of this phase of Chinese psychology which has been at the bottom of all of the commotion which has been raised on the question of the so-called unequal treaties. And while on this question of Chinese objections, there is one other which is of interest in that it emanates from officials of the Government and is based on the suspicion that the American company which has made the highest bid may not be acting in good faith as a genuine American enterprise. This suspicion, which has been aroused in certain influential government circles, has doubtless been due to the emphasis which has been placed upon the so-called "international" character of the American and Foreign Power Company, Inc. The Chinese, through long experience, have come to look upon the word *international* as being a form of camouflage for something other than genuine American control, hence the existence of suspicion that the American company may actually be working on behalf of

British or other foreign interests. One Chinese official, in a discussion of this point, called attention to the granting of a franchise to an American company several years ago for the construction of the Canton-Hankow Railway. A short time after the franchise had been granted to the American company, it was sold or turned over to a British company, which made it necessary for the Chinese Government to "buy back" the concession at considerable expense. It ought to be possible for the American interests behind the American and Foreign Power Company, to eliminate this suspicion by issuing an official statement to the Chinese Government on the matter of its intentions in regard to the future control and operation of the plant in the event the purchase is confirmed by the foreign (and Chinese) Ratepayers.

It is distinctly unfortunate that these various complicating elements have arisen, because under ordinary conditions the Chinese would welcome the investment of American capital in China. Anyone who is familiar with the activities of the National Government in recent months must know that the activities of the Government from the standpoint of its reconstruction plans have been directed with the object of obtaining American finance. The employment of American advisers in the fields of financial and railway reconstruction, the bid for American assistance in connection with treaty revision and in countless other ways the Chinese have indicated their desire for American help. In view of this situation it is therefore unfortunate that the American proposal to purchase the local municipal electricity works has become involved in outside complications which, unless immediately rectified, are likely to have the effect of preventing the American offer from receiving fair consideration, providing the decision is made to sell the plant. As indicated in previous discussions of this subject which have appeared in *The Review*, it is not yet clear that the Shanghai Ratepayers will ratify the apparent intentions of the Shanghai Municipal Council to dispose of the Electricity Department. But should the decision to sell be made, it is obvious that the American offer should receive proper consideration because it is the highest offer that the Settlement has received for the property. However, as stated, there is strong possibility the Ratepayers may not ratify the proposal to sell, in which case there are only two other methods of procedure, the leasing proposal or to continue the plant as at present operated by the Shanghai Municipal Council.

Chinese Resent Being Deprived of Seeing Football Matches

As a result of several Chinese having been refused admittance to see a football match at the Shanghai Race Course recently, the Sixth District Kuomintang has issued a manifesto of protest, which says: "We, who are under the iron heels of the imperialists, have already been looked down as slaves. At a time when the Chinese National Government is rapidly growing in strength, foreigners have refused to admit Chinese into the Shanghai Race Course to watch a football match. This is an insult to Chinese and to our national dignity and is a serious disgrace. Furthermore, the Settlement has not been given to foreigners. How then can foreigners deprive us of our right to attend even a football match? Yet, they are advocating alliance with China. We therefore earnestly hope that all Chinese will adopt a non-cooperative policy towards foreigners and never enter any foreign amusement resort. Let us work strenuously for the restoration of the foreign Settlements. If we can only work in harmony, we shall be able to hold our celebration in the Race Course this day next year."

"STEEL VESTS FOR EVERYBODY

(Cartoon by Hwang Wen-lin in Republican Daily News, Shanghai, March 23)

POLICE CHIEF, TO POLICEMAN! "Robbers again: Be quick and get on your steel vests."

POLICEMAN (Shooting from behind telephone pole): Alas, the robbers run faster than we can, hence many innocent pedestrians are killed by flying bullets."

SHANGHAI MUNICIPAL COUNCIL: "Owing to the dangers involved for those who live in Shanghai, it is necessary that when you hear sounds of shooting you should run out of danger."

THE CARTOONIST: "For the sake of safety persons of all ages and both sexes should wear steel-vests. It is to be feared, however, that the robbers may also follow the same example."

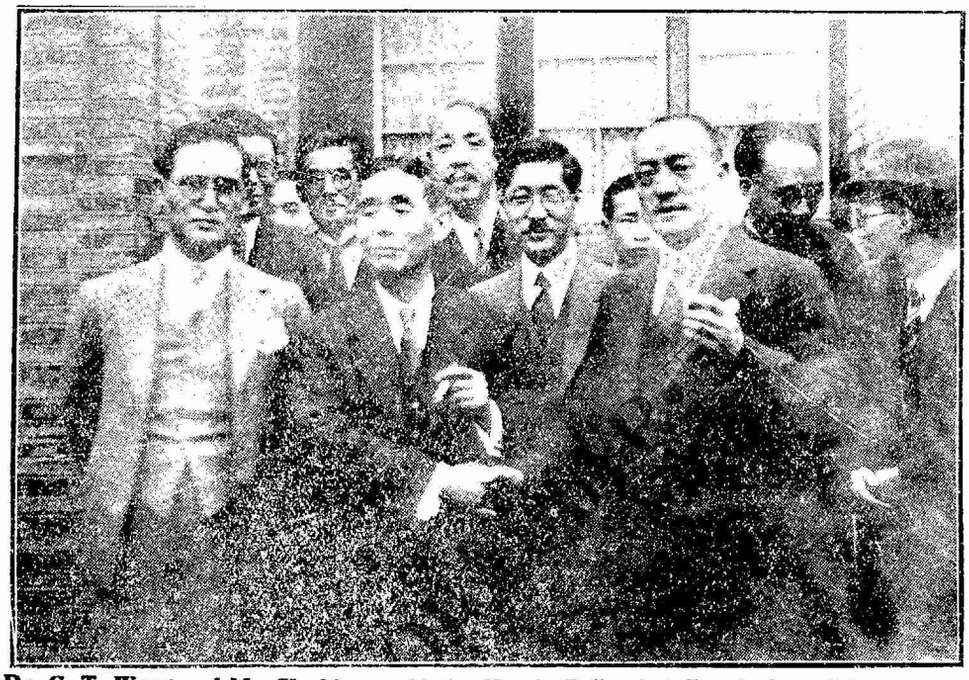
Tsinan Incident Is Tentatively Settled

THE RECORD TO DATE

October 19—General-Baron Tanaka, Japanese Premier and concurrently Foreign Mininter sent S. Yada, Japanese Consul-General at Shanghai, to Nanking to confer with officials of the National Government for the purpose of trying to reach an understanding in order that formal negotiations might be undertaken. Mr. Yada, however, was not provided with any credentials for conducting actual negotiations, hence his activities at Nanking can only be classed as "conversations."

October 26.—General-Baron Tanaka sent Hachiro Arita, chief of the Asia Bureau of the Tokyo Foreign Office and Koichi Nishida, acting Japanese Consul-General at Tsinan, Shantung Province, to Nanking supposedly for the purpose of "checking up" on the reports regarding the Nanking situation which Mr. Yada, the Japanese Consul-General at Shanghai had submitted to Tokyo regarding the attitude of the National Government.

November 10—General-Baron Tamaka is alleged to have sent a secret confidential agent named Kono Ryonei to Nanking for a private conversation with General Chiang Kai-shek, Chairman of the National State Council, apparently for the purpose of "checking up" on reports which Messrs. Arita and Nishida had made regarding the situation at the National Capital and also, according to report, for further "checking up" on Mr. Yada, the Japanese Consul-General at Shanghai.



Dr. C. T. Wang and Mr. Yoshizawa Shake Hands Following Conclusion of Agreement on Tsinan Incident. Left to Right in the Front Row are Mr. Shigemitsu, Japanese Consul-General at Shanghai, Mr. Yoshizawa, Japanese Minister and Dr. C. T. Wang.

November 19—S. Yada, Japanese Consul-General at Shanghai, who initiated the Nanking "conversations" and who returned to Shanghai after a stay of six days in the National Capital, returned to Nanking for still further conversations with Dr. C. T. Wang, the National Minister for Foreign Affairs.

November 23—Negotiations between S. Yada, Japanese Consul-General at Shanghai, and Dr. C. T. Wang, National Foreign Minister, definitely break down and both issue statements, the reason for the break-down being unknown but supposedly on account of Japan's refusal to withdraw her troops from Shantung as a preliminary to the opening of definite "negotiations" for a settlement of outstanding problems between the two countries.

November 23—Although the "conversations" between Yada and Wang are discontinued, Mr. Yada opens "conversations" with T. V. Soong, National Minister of Finance on the question of the China tariff and also, according to report, on the question of China's refunding the defaulted Japanese loans from the increased customs revenues expected to result from China's tariff autonomy program.

December 4—Consul-General Yada demands of Mr. Soong that China must agree to the refunding of Japan's defaulted debts from the increased customs revenues before Japan will agree to China's plans for increasing of the tariff schedules. Chinese papers state Mr. Soong refused to consider the Nishihara loans at all, but that he did agree in principle to a refunding of the "legitimate" Japanese loans and as good faith offered to set aside the sum of $5,000,000 as the first year's payment of interest on the old unsecured Japanese loans.

December 7—S. Yada, Japanese Consul-General at Shanghai refuses to accept China's official Note announcing the new tariff schedules which China intends to enforce on February 1, 1929. The other foreign consuls at Shanghai, including the American and British, accept the Notes and draft of schedules and forward them to their Legations in Peiping.

December 11—Takejiro Tokonami, president of the Shinto Club, a Japanese political organization, occupying a "neutral" position in the Diet, accompanied by Mr. Akatsuka, former Minister to Austria, Lieut-General Idogawa, retired militarist, and a staff of about a dozen secretaries arrive in Nanking, supposedly on a private mission for the purpose of investigating the political situation at Nanking.

January 25.—General-Baron Tanaka announces at a meeting of the Privy Councillors in Tokyo that "the conclusion of a Sino-Japanese tariff pact may be taken as Japan's *de facto* recognition of the National Government, but since recognition requires a legal form, it cannot be said to be complete recognition unless the Japanese Government formally recognizes the National Government with a formal Note. The matter regarding Japan's recognition of National China depends upon the outcome of the negotiations on various outstanding Sino-Japanese issues, which are to be conducted between Mr. Yoshi zawa and the National Government." This statement by General-Baron Tanaka constituted the first definite information from Tokyo that Japan had negotiated a tariff treaty with China and probably would not raise objections to the coming into effect of the new Chinese tariff schedules on February 1.

January 25.—Mr. Yoshizawa, Japanese Minister to China, who has been in Tokyo for several months, arrives in Nanking and opens negotiations with Dr. C. T. Wang on outstanding Sino-Japanese questions, the official Japanese *Toho* news agency report stating that negotiations are to be started, first of all on the Tsinan incident.

January 26.—Chinese Ministry of Railways announces that protracted negotiations between representatives of the Ministry and the Japanese Consul at Tsinan on the question of resuming transportation on the Tientsin-Pukow Railway through the Japanese military zone at Tsinan, Shantung, have broken down owing to the conditions which the Japanese military have imposed respecting the inspection of trains which the Chinese declared to constitute an infringement upon their sovereignty.

January 28.—Official Japanese *Toho* news agency announces that Mr. Yoshizawa planned to return to Shanghai, it being "learned on good authority" that the negotiations between Mr. Yoshizawa and Dr. Wang were "on the whole a repetition of the Wang-Yada preliminary negotiatione and that though the withdrawal of Japanese troops from

Shantung was the principal topic, no reference was made to any concrete measures for the evacuation of the Japanese troops. In short, the Sino-Japanese parleys have resulted in no agreement, but it is understood that Mr. Yoshizawa is giving a dinner-party this evening in honor of Dr. Wang." A later Chinese report stated that Dr. Wang didn't attend the dinner-party, pleading illness.

January 29.—Report from Tokyo states that "owing to his success" in negotiating the new Sino-Japanese tariff understanding, Mr. Yada, Japanese Consul-General at Shanghai is to be recalled to Tokyo and it is not known whether he will be promoted to a new post or sent back to Shanghai.

January 29.—Official *Toho* report from Nanking states that Mr. Yoshizawa and Dr. Wang held another conference and exchanged views concerning the "whole of the pending questions existing between Japan and China." After the meeting Mr. Yoshizawa told the Japanese newspaper correspondents that he had discussed the Tsinan incident as well as the anti-Japanese movement now prevailing in China. "On the whole, I can inform you that effective conversations were exchanged in a friendly atmosphere and I am expecting to hold another meeting with Dr. Wang within a few days," stated Mr. Yoshizawa who explained that he was returning to Shanghai where he hoped further negotiations would be held, "the opinions of both delegates being very close due to the conciliatory attitude . . . thus throwing a light on the future of Sino-Japanese negotiations."

January 30.—Japanese Privy Council, according to *Reuter* report from Tokyo, formally approves the China Tariff Agreement and notifies the Japanese Charge d'Affairs in Peiping to sign accordingly.

January 31.—*Reuter* report from Tokyo quotes "official circles" in the Japanese Government as declaring that the signing of the China Tariff Agreement only recognized the "Interim Tariff" and did not constitute recognition of tariff autonomy or actual recognitton of the National Government; Japanese Government Spokesman also alleged that China had agreed to recognize the legality of Japan's "unsecured" loans made to China and in addition had agreed to set aside $5,000,000 from the increased tariff revenues toward repayment of Japan's loans. Chinese officials denied Japanese allegations regrading "recognition" of Japan's unsecured loans and stated that China had sent identic notes to nine nations, including Japan, asking them to send representatives to China for purposes of discussing the refunding of defaulted loans and that Japan's unsecured loans would have to go into the same pot with the unsecured loans of other countries.

February 5.—Mr. Yoshizawa and Dr. Wang hold conference in Shanghai which lasts for 10 hours, at conclusion of which Dr. Wang was quoted by the official Chinese *Kuo Min* news agency as stating that an agreement had been reached and that formal negotiations would be conducted in Nanking "as soon as the details can be worked out." Mr. Yoshizawa, the Japanese delegate, was quoted by the official Japanese *Toho* news service as stating, "It may be safely said that as the result of this parley, the Sino-Japanese negotiations on the Tsinan affair have been almost brought to a successful conclusion."

February 8.—Dr. Wang and Mr. Yoshizawa meet in Shanghai, supposedly for the purpose of initialing the documents for formal settlement of the Tsinan incident, when Mr. Yoshizawa informs Dr. Wang that upon instructions from Tokyo he cannot agree to the understanding previously agreed upon on February 5 that both sides are to pay damages resulting from the Tsinan incident subject to the findings of a joint Sino-Japanese commission of investigation. Mr. Yoshizawa proposed as a counter-measure that both sides should forego claims for damages, but the Chinese refused to consider this on the grounds that 5,000 Chinese citizens were killed and Chinese property was damaged to the extent of several millions of dollars. Sino-Japanese negotiations again deadlocked.

February 13.—After prolonged negotiations between officials of the Chinese Ministry of Railways and the Japanese military authorities at Tsinan, the Japanese agree to permit the Chinese Railway Administration to operate a certain number of freight trains over the Tientsin-Pukow Railway through the Japanese military zone about Tsinan. Japanese conditions are not disclosed, but according to reports appearing in the Chinese press, the freight trains must not exceed five miles per hour and must be subject to inspection by the Japanese military when they enter the Japanese zone from either the north or the south. No mention was made in the report regarding permission being granted to the Chinese to resume operation of passenger trains on the Tientsin-Pukow Railway.

February 21.—*Reuter* report from Tokyo stated that Japanese Minister Yoshizawa had received instructions to reopen negotiations with Dr. C. T. Wang for a settlement of the Tsinan incident and that the National Government had been notified accordingty. The report did not disclose the content of Minister Yoshizawa's instructions, but a Japanese *Nippon Denpo* message from Shanghai appearing in the *Japan Advertiser* on Feb. 15 stated that Mr. Yoshizawa had recommended to Tokyo that (1) Japan is to consent to China's proposal for the creation of a joint-inquiry commission; and (2) that China is to consent to the limitation of the scope of the inquiry of the commission regarding damages as well as other curtailments of the commission's powers.

February 26.—Namoru Shigemitsu, newly appointed Japanese Consul-General at Shanghai in place of Mr. Yada who was recalled, in an interview with representative of official *Toho* news agency stated that he planned to follow the instructions of Mr. Yoshizawa and denied that Baron Tanaka had given him any new instructions to be handed to Mr. Yoshizawa regarding the Sino-Japanese negotiations.

February 27.—General-Baron Tanaka, Japanese Premier, in interview regarding Sino-Japanese situation declared that

KEEPING IT STIRRED UP
—Plaschke in the Louisville *Times*.

the Japanese Government "had no intentions either to take any measures for the reopening of the negotiations with China, or to bring the negotiations to a close, but to watch the course of events, simply awaiting what attitude China plans to take toward this question."

February 27.—Dr. C. T. Wang, National Foreign Minister, in an interview circulated by the *Kuo Min* news agency "did not appear hopeful over the Sino-Japanese outlook," but stated that it would be incorrect to say that the pourparlers between Mr. Yoshizawa and himself had been completely broken off. Dr. Wang also expressed the opinion that while Mr. Yoshizawa seemed inclined to adopt an attitude conducive to a successful conclusion of the negotiations, that apparently the Tanaka Government was stubbornly over-riding its representative's desire to reach a settlement. Dr. Wang said, "until the Tanaka Cabinet awakens to the fact that a Sino-Japanese settlement of outstanding problems is impossible unless there is a radical change of Japan's policy toward this country, I see little hope in any satisfactory results from a resumption of conversations with Mr. Yoshizawa."

March 1.—It is definitely announced by the National Ministry of Railways that negotiations which had been proceeding between a representative of the Ministry and the Japanese military authorities at Tsinan for a resumption of passenger-train service through the Japanese military zone at

Tsinan, had broken down, the Chinese refusing to agree to the Japanese conditions pertaining to searching of passengers.

March 1.—Japanese Government-owned South Manchuria Railway Company gives 20 foreign newspaper correspondents stationed in Peiping a free tour of Manchuria under Japansse auspices "for the purpose of inspecting conditions in Manchuria."

March 4.—General-Baron Tanaka, Japanese Premier, quoted by official Japanese *Toho* agency as saying "While it is true that the Sino-Japanese negotiations between Dr. C. T. Wang and K. Yoshizawa are at a deadlock, it cannot be considered that they have broken down. Both parties concerned are now trying to devise means for resuming the negotiations. Though a certain sort of decision has been reached in the mind of both parties, they are compelled to look for an opportune time for the resumption due to their respective domestie affairs.

March 5.—Official Japanese *Toho* news agency dispatch from Tokyo states that "since there is at present no sign of the Sino-Japanese negotiations on the Tsinan incident being brought to a sucessful conclusion in the near future, the Japanese Government has decided to bring before the Diet in a day or so a supplementaro budget, amounting to Yen 2,580,000 covering the expenese of the Japanese contingents in Shantung. General-Baron Tanaka and other high officials of the Foreign Office conferrred yesterday over the substance of the Government's instructions to be issued to Mr. Yoshizawa who has lately asked the Foreign Office for further instructions."

March 6.—Unconfirmed report from Nanking states the National Government is planning to lodge a strong protest with the Japanese Government alleging direct Japanese complicity in the come-back of Gen. Chang Chung-chang to Shantung Province.

March 6.—Mr. Mori, Administrative Vice-Minister of Foreign Affairs for Japan in interview circulated by *Toho* news agency states, "There is no truth in the reports that Mr. Yoshizawa has asked the Japanese Government for further instructions on pending Sino-Japanese questions, but it is true that we have received a report from the Japanese Minister on the subject and are considering it. It is unlikely that new instructions will be sent until the Government can determine the facts regarding the changed situation in China. It appears that the views of Dr. Wang and Mr. Yoshizawa are gradually approaching each other.

March 7.—Chinese *Ta Chung* news agency report from Nanking denies the possibility of a resumption of the Sino-Japanese negotiations and quotes a spokesman of the National Foreign Office as saying that no arrangements have been made for Dr. Wang to see Mr. Yoshizawa and none will be made until the Japanese Minister "can show that the Tokyo Government is agreeable to China's minimum demands." Chow Lung-huang, Director of the Asiatic Bureau of the National Foreign Office states he has been seeing Mr. Yoshizawa's secretary in Shanghai and in an interview circulated by the *Toho* agency states it is unlikely that Dr. Wang will return to Shanghai for a resumption of negotiations for more than two weeks.

March 10—Unconfirmed reports that that National Government took advantage of the presence of Secretary of State Stimson who was in Shanghai on March 1 on his way to Washington from Manila, to place before him a complete report of the Sino-Japanese negotiations respecting the Tsinan incident and the continued stationing of Japanese troops in Shantung Province, China's apparent object being to acquaint the State Department with the situation due to its bearing on the decisions reached in respect to Shantung at the Washington Conference in 1922.

March 14—There have been no further meetings between Dr. Wang and Mr. Yoshizawa, but Chow Lung-huang, director of the Asiatic Bureau of the Nanking Foreign office has continued his conversations on the Tsinan incident with Mr. Shigemitsu, newly appointed Japanese Consul-General at Shanghai, who, according to reports from Tokyo, has received new instructions from General-Baron Tanaka. Reports from Nanking indicate that "while some progress has been made, the situation does not warrant the optimistic reports from Tokyo regarding a settlement of the Tsinan incident."

March 24.—Dr. C. T. Wang and Mr. Yoshizawa hold three-hour conference at Dr. Wang's private residence in Shanghai, following which they announce that they have initialed an agreement for the settlement of the Tsinan incident. In an interview with Chinese, Japanese, British and American newspapermen, Dr. Wang stated that following the deadlock and discontinuance of the official negotiations on Feb. 8, that informal negotiations had continued between under-officials of the Ministry of Foreign Affairs and Mr. Shigemitsu, Japanese Consul-General at Shanghai and as a result of which a tentative understanding had been reached and initialed. Dr. Wang also stated that the Japanese Minister, Mr. Yoshizawa, would proceed to Nanking shortly for the purpose of formally signing the agreement. While Dr. Wang did not announce the terms of settlement, the Chinese newspapers stated that the agreement provided that (1) Japanese troops will be withdrawn from Shantung immediately following signature of the agreement; (2) The question of responsibility for the Tsinan incident will be ignored; (3) A Sino-Japanese Commission will be appointed for the purpose of assessing damages, but its scope will be limited; (4) Both China and Japan will pay "compassionate" grants covering losses suffered by the Chinese and Japanese civilian communities in Tsinan as a result of the Tsinan incident.

March 25.—Japanese news reports from Tokyo, published in Shanghai ,confirm the settlement of the Tsinan incident but Baron Tanaka was quoted by the official *Toho* agency as stating that the final signature of the agreement and consequent withdrawal of Japanese troops might not be as soon as expected owing to the critical political situation prevailing in China. (It was previously reported in the Chinese newspapers that Mr. Yoshizawa planned to go to Nanking to sign the agreement on Thursday, March 28 and that the evacuation of Japanese troops from Shantung would start immediately and be completed by the end of May next).

How the Military Situation Stands at Present

The present military situation is approximately as follows: Gen. Chiang Kai-shek first began sending troops to the Kiukiang area on March 6 and troop movements were heavy for the succeeding ten days, altogether about six divisions being dispatched from Northern Anhwei, northern Kiangsu, Chekiang and from the Nanking-Shanghai area in this period.

On March 18 there were further troop movements, generally from the same areas to the Anking-Kiukiang-Nanchang district. Gen. Chiang at present has some eleven divisions of the First Group Army and in addition he has the eighteenth division of the Fourth Group Army, commanded by Gen. Lu Tih-ping, former Governor of Hunan, which are reported to be operating in the Ining-Pinghsiang district. It has been reported, however, that the loyalty of the seventh and twelfth divisions of the First Group Army to Nanking is said to be doubtful. Altogether, Gen. Chiang has approximately 150,000 troops in the fighting area.

Opposed to Gen. Chiang are about 120,000 troops which are controlled by the Wu-Han commanders, Generals Hu Tsung-tu, Hsia Wei, Chang Hua-fu, Tao Chuen, Chen Hsu-wei, Chang Kai-sung, and Ho Chien, the last named, according to report, being divided in his loyalties. The divisions of the Fourth Group Army, which are controlled by these men are, Fifteenth, Sixteenth, Seventeenth, Eighteenth, Nineteenth, Fifty-fifth and Fifty-sixth divisions and the First and Second Independent Brigades. The First, Fifty-first, Fifty-third and Fifth-fourth divisions of this army, formerly under Gen. Bei Tsung-chi are in the Peiping-Tientsin area. The Fiftieth Division, which is commanded by Tan Tao-yuan, remains loyal to Nanking and is at present engaged with the Fifty-second Division under Yeh Chi in the Taoyuan area, of western Hunan.

At Canton, and likely to be involved in the present crisis, are five Divisions and one Independent Brigade which belong to the so-called Kwangtung-Kwangsi Independent forces under the nominal control of Gen. Li Chi-sum, the Kwangsi commander who is at present detained in Nanking. Of these divisions at Canton the First is commanded by Gen. Chen Chi-tang, the Second by Gen. Hsu Ching-tang, the Third by Gen. Chen Ming-shu, the Fourth by Gen. Hsiung Shao-hsiung, the Fifth by Gen. Pan Chi-sen and the Independent Brigade by Gen. Teng Hsi-teng. Of these troops, the Third Division under Gen. Chen Ming-hsu, stationed at Pakhoi is thought to be loyal to Gen. Chiang Kai-shek. Some 30,000 troops under Gen. Hsiung Shao-hsiung, are reported to have been moved to the Kwangtung-Hunan border.

Although there has been considerable skirmishing on the front in the vicinity of Kiukiang and 200 or 300 wounded troops have been brought to Shanghai, there has not as yet been any serious encounters. Gen. Chiang Kai-shek was expected to proceed to the front and establish his headquarters in the vicinity of Kiukiang.

A war mandate against the Kwangsi faction was issued by the Nanking Government on the evening of Tuesday, March 26. It contained the signatures of Gen. Chiang Kai-shek, President of the State Council; Tan Yen-kai, Hu Han-ming, Tai Chi-tao, Wang Chung-hui and Chen Kuo-fu in their

respective capacities as President of the State Council, and heads of the Legislative, Examination, Judicial, and Control Yuan. Dr. Tsai Yuan-pei, head of the Control Yuan, was absent from Nanking so the mandate was signed by Chen Kuo-fu, vice-chairman. The mandate began by telling of the defiance of the Government forces by the Generals Hsia Wei and Yeh Chi and their attack on the Nanking forces under Gen. Hsia Tao-yin in Anhwei and Gen. Chu Pei-teh in Kiangsi. Gen. Bei Tsung-chi, who commanded the Wu-Han troops in the Peiping-Tientsin area was also charged with revolting against the Government forces. The Mandate then quoted from a telegram which Gen. Li Tsung-jen, the Kwangsi leader sent to Gen. Huang Shao-hsiung at Canton urging him to mobilize, all of which was considered by Nanking to constitute a plot on the part of the Kwangsi commanders, Bei Tsung-chi, Li Tsung-jen and Li Chi-sum against the Central authorities. These three commanders were charged with "hindering the progress of the Government and constantly violating the Three People's Principles," and in consequence were ordered dismissed from their posts and ordered punished and the Government's military forces ordered to move against their troops in order that the present trouble may be nipped in the bud and the law of the country upheld."

Gen. Chiang Kai-shek on Wednesday, March 27 issued a 4,000-word proclamation to the country in which he outlined the main issues and explained why it was necessary "to resort to drastic measures." He made the following points: (1) The Kwangsi forces sought to destroy the morale of the Revolutionary Army by subjecting the Second, Fourth, Fifth and Eighth army to much suffering and discrimination; (2) Instead of cooperating the Kwangsi generals had sown seeds of discord. There then followed a detailed report of alleged misconduct and violation of orders on the part of these commanders in the fighting incidental to the Northern advance from Canton to the Yangtsze Valley in 1926, 1927. etc.

AMERICAN ENGINEER WILL HELP CHINA DEVELOP MODERN PORT AT CANTON

Mr. Ernest Payson Goodrich, Consulting Engineer.

Mr. Ernest Payson Goodrich, one of the best known American engineers, has arrived in China, and in cooperation with Mr. Henry K. Murphy, will assist the Chinese Government in the development of plans for a new deep-water port at Canton and the construction of a new national capital at Nanking. Two weeks ago Mr. Goodrich and Mr. Murphy and their assistant Mr. Irving C. Moller, who is also an experienced engineer, visited Canton and made a preliminary inspection of the district where the proposed harbor is to be constructed.

Mr. Goodrich, who was born at Decatur, Michigan and is a graduate of the University of Michigan and was the chief engineer for the construction of the Bush Terminals at New York, has just completed his work as consulting engineer in the development of the Port of Albany, New York, a job which he states was quite similar to the work which China has in mind for Canton. The Albany Port Development Plan, which cost G.$20,000,000 was completed and the first ocean-going ships docked at Albany, more than 100 miles up the Hudson River exactly three years after the bill providing for the project had passed Congress. The Albany development was financed by bond issues based on the revenues of the area benefitted and has proved to be economically sound.

The Canton project, according to Mr. Goodrich, is also quite similar to the problems which faced the Netherlands Government in the development of the Port of Rotterdam, this well-known Dutch port being located several miles from the sea on the Rhine River, which flows out through a delta dotted with islands and with several channels. The Canton project, in Mr. Goodrich's opinion is essentially no more difficult from an economic standpoint than the problems involved at either Albany or Rotterdam. "If China develops in the next twenty-five years somewhat as Japan has developed in the past half century, it would not be difficult to develop an economically sound port project at Canton that would compare with, or even excel the present development at Shanghai," stated Mr. Goodrich and added, "I have come to China to make a survey of the facts and make recommendations which the Chinese Government and people may carry out if they so decide. The inspection which we have made at Canton is too superficial for any definite statements at this time and our final conclusions must be based on the facts involved and subject to the wishes and recommendations of the Chinese. But even with our more or less superficial inspection, I believe that Canton could be placed on an economically sound, self-sustaining basis by the expenditure of approximately G.$20,000,000 which is the amount that was expended on the Albany plan. The Albany plan resembles Canton's problem, since Albany is located on the Hudson with New York City at its mouth. Here at Canton, we have Hongkong in a somewhat similar position. The development of Canton would undoubtedly help Hongkong as the Albany development has helped New York City."

Arrangements for Mr. Goodrich's trip to China were made by Mr. Sun Fo, Minister of Railways, on his trip to the United States last year. Mr. Goodrich is a well known authority on ports and city-planning and is a member of leading engineering societies of the United States. Among his recent projects is a plan for a gigantic air-port for New York City.

Chiang Kai-Shek's Appeal for National Support

(The following is the official English translation of a manifesto to the Kuomintang Party which was issued by Gen. Chiang Kai-shek on March 21, the Chinese text having appeared in the Chinese newspapers previously. This text was issued by the Kuo Min News Agency on March 21.)

"Since the outbreak of fighting in Hunan on 21st of February, the situation has become very grave and confusion prevails in the public mind. During the last few days troops under Yeh Chi and Hsia Wei have been fiercely attacking General Tan Yao-yuan is Western Hunan, thus extending the area of conflict. Yeh Chi and Hsia Wei have once again flagrantly disregarded the pacific injunctions of the Government; in their eyes there is no Government, not do they listen to the orders of their immediate military superiors.

It is regrettable in the extreme that such happenings should occur to mar this Third Party Congress. The Government is, however, fully prepared to meet the situation and ensure the stability of the country, and desires to set its case plainly before the members of the Party.

I.

There are those who hold that the Hunan Outbreak is a local or regional affair, that it is a simple fight between Hunan and Hupeh with effect on the genéral situation. They do not see that the explosion is no accident, that it has its roots deep in the minds of insubordinate military leaders, for whom the Government does not exist, who openly flout its specific orders, violate its most revered laws, and disrupt the unity of the country. If such actions pass unchallenged what is there to prevent other military leaders from also setting aside high civil officials, seizing territories or starting war at their own pleasure? What, then, becomes of the authority and dignity of the Government?

Since the completion of the Northern Expedition the Government has been steadily turning its efforts towards the actual unification of the country and the prevention of civil war. To this end, at the Fifth Plenary Session of the Party, the original Article 4 of the Constitution of the Branch Political Councils stipulating that 'Branch Political Councils shall have no authority to appoint or dismiss high provincial officials appointed by the Government was confirmed and re-emphasized. It was also unanimously agreed at the recent Military Reorganization and Disbandment Conference, and set forth in Article 14 of the Minutes, that all armies should await the inspection of the Standing Committee of the Reorganization and Disbandment Conference, and that no troops shall be moved from their stations without the express orders of the Committee, These were the safeguards provided to effect the peaceful unification of the country, those we solemnly swore to observe at the conference before the portrait of our dead Leader. That oath was not lightly made, it should not have been regarded as mere child's play, to be broken at will.

And now within a few weeks of the Conference the Wu-Han Branch Political Council set troops in motion against Hunan and Kiangsi, forcibly removed the Chairman and all the members of the Hunan Provincial Government, and arbitrarily appointed a new Provincial Government of its own.

The pretext given was that in a state of emergency the Branch Political Council could act at its own discretion, but even if such discretionary powers were permissible in face of the above-mentioned specific injunctions to the contrary, what was the state of emergency justifying war measures? If, as it was argued, the Hunan authorities were not very successful in suppressing bandits and Communists, why was not the Central Government petitioned to rectify matters, and did this act of omission constitute a state of emergency? If, as it was also claimed, the Hunan authorities did wrong in not giving up a part of its revenues to Hupeh province, administrative remedy could easily be secured from the Central Government. Neither of the two specious reasons, even were they true, created a state of emergency justifying a midnight attack by armed troops of one province on another.

On grounds, therefore, both of the law of the country and of the facts of the case, the actions of the Wu-Han Political Branch Council constitute defiance of the Central Government and result in destroying the unification of the country. If to disregard the specific orders of the Government may be considered a local right, if wars were regarded as a local affair, and if destroying the unification of the country were held to be a local matter, what could not be committed in the name of local interest? May not, for instance, the seizure of territory be also regarded as a local affair? If so, then there is no end in sight for the sufferings of the people from civil wars and military overlordship. Let us only look back at the blood and treasure sacrificed by the people during the two years of the Northern Expedition. As yet our people have only had sacrifices to show for the cause of the Revolution; they have not reaped any of the benefits promised them. If we could not achieve the unification of the country and the cessation of civil wars we could be rightly regarded by the people as their foes, not their deliverers.

Therefore, since the Fifth Plenary Session every effort has been bent towards unification by making civil war impossible, so that the people may have a breathing spell for constructive work. A ray of light has just appeared, and to the people in the darkness, dawn seems at last breaking. Deep is the sense of disappointment to have our hopes so rudely shattered by the reactionary acts of Wu-Han.

II.

Now that the Wu-Han authorities have openly disobeyed the orders of the Central Government, and obstructed the unification of the country and the peace and progress of the people, it is the plain duty of the Central Government to check such subversive acts. To any one who has followed the political situation it is plain that the National Government during the two years of its existence has never interfered with the normal functions of provincial authorities. On the other hand, various local authorities have often interfered with the functions of the Central Government, so much so that many of the Central Government officials in the various regions have become mere nominees of the local authorities. The local authorities obey the orders of the Government only when it suits them, and bully the Government into carrying out their mandatory petitions.

In the endeavour to achieve the effective unification of the country peacefully, the Central Government has been adopting a most patient policy, hoping that in time the recalcitrants would realize their own mistakes. This policy has, however, failed; patience is taken for spinelessness and leniency for license. At this moment when the country is bent on peace and reconstruction they have dared to mobilize their troops and embroil the country in another civil war. Further patience and leniency would be a meaningless sacrifice of the laws of the country and the fundamental principles of our Party. This determined attitude on the part of the Government must not be mistaken as implying the employment of armed force; the Government will exhaust all measures to settle the question by political means, hoping fervently that the political principles, to which the recalcitrants subscribe, will not be considered as convenient mummeries. During the past ten years the ever shifting wars of the militarists have caused untold suffering to the masses of the people, thousands upon thousands have died of hunger, cold and epidemics. He must be cursed who wishes to see his country again wallow in the blood of civil war. Tsinan is still under the heels of the Imperialists and the remnants of the defeated militarists are scourging portions of Shantung. While maintaining order and authority the Government will spare no pains to avoid bloodshed.

Local military commanders have invaded neighboring provinces; who dares to predict that they will stop short of overthrowing the Central Government itself? The Government is thus in duty bound to take precautionary measures against these recalcitrants, as well as against the Communists, who are ever watchful of opportunities to start troubles If the precautionary measures adopted by the Central Government were to be regarded as provocative, and the attack on one province by another as excusable, it simply means that local authorities have the right to dictate and overawe the Central Government, while all the latter could do is to quietly await its own destruction. Can such an attitude be advocated by any one who understands the principles of the Party or holds any love or reverence for the nation? The Central Government today is both willing and capable of guarding its sacred trust; it will ensure the maintenance of peace and order, and so the people need not be unduly alarmed.

III.

Though the Central Government seeks to avoid using armed force in dealing with the situation, it offers no terms for a compromise. Rumor has it that the Government is negotiating to settle the Hunan matter, but this is entirely unfounded and arose from sheer ignorance of the nature of government. The Central Government knows only to administer the laws of the land; it gives orders; it could not stoop to bargain. "Terms" are only made between equals, if the Central Gevernment makes "terms" with the local authorities it forfeits all respect, and its claims to have authority falls to the ground.

There is yet another rumor current to the effect that certain persons wish to come forward and mediate, but that is also absolutely groundless. I firmly believe that no one who understands the rudiments of revolutionary thought or the necessity of real unification of the country will think or employ the word "mediation" in the present situation. Against any transgressions on the part of local authorities the Government

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Military Diplomacy in Japan

BY LI TZ HYUNG 李芷馨

THERE is no country in the world where the military influence is more predominant in the counsels of government than in Japan which, to all intents and purposes, is under the dictatorial control of an irresponsible military clique. The militarists have the General Staff as their source of power; this mighty organization, composed of all the powerful and renowned military satraps throughout the nation, supersedes practically, though not constitutionally, all the other organizations of the government. The Ministers of War and Navy who are, as a rule, professional militarists, come from that clique, and naturally, they sing the same song with the General Staff in regard to matters of policy. One peculiar aspect of the General Staff is that it can, and as a matter of fact, it always does, appeal to the Throne for sanction for anything to be done in case that it is opposed by other departments of the government concerned or by the Diet.

Civilian rule is only a pretence, so far as Japan is concerned. The militarists not only meddle in civil affairs of the government, but frequently interfere in matters of national diplomacy. They have taken matters all into their own hands, scarcely being satisfied with the employment of their sword.

In fact, the Japanese realm, for the present, is under the famous militarist Baron General Tanaka who at the same time holds the portfolio of Foreign Affairs in order to avoid friction within his own government. The Japanese veteran statesman Baron Shidehara, who was responsible for the so-called friendly policy towards China, and to whom much credit was due for the restoration of Sino-Japanese amicable relations in the eventful year of 1926, was actually ousted by the military clique and in his place General Tanaka was installed chiefly for his "strong China policy" which has always been popular to the militarists.

Army Men in the Saddle

In all the important cities and ports throughout China, side by side with Japanese consuls and other diplomatic agents, are stationed Japanese Army officers whose business is to study conditions in this country at a close range and report them to the Japanese Government accordingly. It goes almost without saying that they render very valuable service to the Tokyo Government; they appeal directly to the General Staff and the War Office which in turn approach the head of the Government, and if necessary bring strong pressure to bear upon him and other ministers in case of a civilian official being in office like Baron Shidihara.

The words of these Army officers carry so much weight with them that they often overshadow those of the consuls and other diplomatic agents. In the decision of any local Sino-Japanese questions, it is more often than not the opinion of the Army officers that prevails in the end. During the course of the May 3 incident in Tsinanfu, General Fukuda took matters so exclusively into his own hands that the Japanese Consul there, when approached by Chinese officials for any matter, often replied that he did not know anything about it. When Mr. S. Yada, Japanese Consul-General at Shanghai, after his return to Japan last year, happened to make some remarks in connection with the strained Sino-Japanese relations that did not exonerate the militarists from blame, he was seriously reprimanded by Baron Tanaka. Later when he was sent to negotiate with Dr. C. T. Wang, Foreign Minister of the National Government, for the settlement of outstanding problems, it was soon found that he had no credentials giving him plenipotentiary powers. The whole business was really something like "much ado about nothing"; and negotiations eventually had to be abandoned.

Then along came K. Yoshizawa, Japanese Minister to China, for the avowed purpose of effecting a settlement of Sino-Japanese outstanding problems. The prospects were reported to have been very bright during the negotiations and a settlement was almost within reach when the attitude of the Japanese Minister, all of a sudden, changed; the answer was that the Tanaka regime had been assured of support in the Diet on February 10 through the voting down of the non-confidence motion by the Opposition. This lent credence to the rumor that Mr. Yoshizawa was sent to China not for the purpose of effecting any settlement of Sino-Japanese outstanding problems, but to stake off Japan's domestic political crisis. Mr. Yada who had been sent to Nanking to negotiate without plenipotentiary powers, found it embarrassing in the middle of the negotiations; all the discussions which he conducted with Dr. C. T. Wang were formally ignored by Mr. Yoshizawa. As a result of such embarrassment, Mr. Yada left Shanghai in agony and was said to have offered to go into retirement. The position of Japanese diplomatic agents is truly unenviable; they are recognized or ignored as their military overlords may see fit.

Manchuria in Military Hands

This military intervention in diplomatic affairs is especially conspicuous in Manchuria where the Japanese army officers may order troop movements without consulting the local diplomatic agents or the Foreign Office. They are either under direct instruction of the War Office or take matters totally into their own hands. Of this state of affairs, the Japanese people feel, however, deeply resentful. On January 31, the War Minister, General Shirakawa, was taken to task by a prominent member of the House of Peers, Mr. Ishizaka, for the "Grave Affair in Manchuria" which is a name invented by the local papers for the assassination of Chang Tso-lin by order of the censor. The War Minister was subjected to searching interpellation when Mr. Ishizaka touched upon the matter of concentration of the Kuantung Garrison troops at Mukden about the time Chang was assassinated. "The War Minister had nothing to do with that," replied General Shirakawa; and to a further interpellation as to what procedure was followed when troops movements were made, the War Minister said that the Chief of the General Staff had obtained Imperial sanction before ordering any troops movements.

"I, as War Minister", General Shirakawa said, "am concerned only with the necessary appropriations for such action. The concentration of troops in Kuantung is within the limits of his own power." Mr. Ishizaka took exception to the War Minister's statement that it was the Chief of the General Staff who appealed to the Throne for the dispatch of troops to Kuantung and that consequently the Minister was not responsible, and declared that the War Minister ought to assume responsibility for the fact that the dispatch of troops had led to the occurrence of a certain grave affair, instead of helping the maintenance of peace in Manchuria. He charged the War Minister with cowardice for trying to evade his responsibility. This is indeed, of great interest and very illuminating.

The Civil versus the Military

Of still further interest is an editorial which recently appeared in the *Osaka Mainichi* in connection with military intervention in Japanese diplomacy. The editorial said:

"One of greatest questions of national principles new being discussed in the Diet is the relations of the Army and the Foreign Office One member of the Proletarian party pointed out in a recent session several incidents of the military men having exceeded their official functions and having committed themselves to matters that are purely the concern of diplomatic officials. The reply of the War Minister to such charges was that they were done in private capacities and without official concurrence. Such an explanation hardly satisfies the nation which has grown highly suspicious of military intervention in national diplomacy".

"Perhaps from purely military considerations or otherwise, quite a number of army officers are stationed in important parts of China. These men naturally command higher prestige than diplomatic agents stationed in these places, and there in much danger of their forestalling diplomatic events that ought to be carried out by accredited diplomatic agents. Such a danger is particularly great under a government at the helm of which sits a general. As a matter of fact the general himself assumes the portfolio of the Foriegn Office and this fact inevitably tends to encourage military men increasingly to meddle with diplomacy.

"We should remember the old truth that each trade has its own tricks. Diplomacy has become nowadays a highly specialized technical undertaking for the successful conduct of which many years of training are necessary. Military men know their own business but not that of diplomatists. There can be no greater danger in the delicate mechanism of international relations than unwarranted interference by soldiers whose speciality is the effective employment of troops. This is the reason why we have been opposing General Tanaka serving as the Foreign Minister. We regret that we now have to advance the same argument against the activities of other militarists."

Contemptuous of International Law

The Japanese militarists, like militarists in any other country, are too practical to care about international law; and believe in their troops and bluejackets; the only difference is that the militarists in Japan have a complete control in the matter of policy-deciding about internal as well as external affairs; they maintain independence and refuse to be ruled by civilian authorities as in the case of other advanced countries. The non-military colleagues in the Government should either remain contented as puppets of the General Staff or they should make up their mind to quit their jobs as was the case with Baron Shidehara. To expectthat Japan will change her aggressive foreign policy by the mere change of a foreign minister without changing the status of the mighty General Staff is only a delusion—a delusion indulged in by not a few foreign observers as well as Chinese. Signs are, however, not altogether lacking towards a change of the military domination: there is an uproar in Japan demanding the Ministries of War and Navy to be placed under civilian control. How soon it will succeed, time alone can tell.

Nanking, March 18, 1929.

Railway Through Traffic Development

BY S. Y. LIVINGSTON HU

RAILWAY through traffic activities are twofold, domestic and foreign. The domestic through traffic first received attention in October, 1913 when a conference was held in Tientsin participated in by representatives from the Peiping-Hankow, Peiping-Suiyuan, Peiping-Mukden, Tientsin-Pukow and Shanghai-Nanking Railways and this Domestic Through Passenger Traffic went into operation in April of 1914. It was at this time that the need for uniform passenger and goods regulations and a classification of goods common to all the Chinese Government Railways was keenly felt and several domestic through traffic conferences were held to devise ways and means of attaining uniform regulations of general application to facilitate through traffic procedure in China. It was due to the spirit of giving-and-taking and to the cooperative effort of those domestic through traffic conferences which were accountable for the drafting and the final adoption of rules and regulations relating to through passenger, baggage, and parcels traffics, the interchange of wagons and to a general classification of goods and uniform goods rate lists for the use of the Chinese Government Railways. Simultaneously the need for some central authority to co-ordinate and to carry out the decisions of the domestic through traffic conferences, the issue of through tariffs, the making of plans for the future and other kindred matters likewise was felt. At the initial inauguration of the through traffic those duties were entrusted to the Peiping-Mukden Railway for a term of five years at the expiry of which another railway was to be designated to undertake the same. Owing to the rapid growth of through traffic and upon the advice of different railways the Ministry of Communications was driven to the decision that an indepeudent organization to take up such duties was inevitable and thereby resulted in the establishment of the Railway Through Administration in September of 1918 before the expiration of the first period of five years.

The first international through traffic conference held in Tokyo in March of 1913 was participated by delegates from the Peiping-Mukden Railway, South Manchuria Railway. Chosen and Japanese Government Railways and the arrangements for the sale of through single tickets and registration of baggages between the principal stations on those railways were made thereat and inaugurated October first of that very year. The Peiping-Mukden Railway also took part in the conference of railways interested in the through traffic between Europe and Asia via Siberia which was held in Moscow, June, 1913 and which resulted in the sale of through tickets and registration of baggage between Peiping and Tientsin and the principal cities of Europe on the first of June, 1914. The outbreak of the European War in August of 1914 stopped this intended international through traffic outright.

The development of the through traffic in China has contributed directly and indirectly to the policy of the Chinese Government in unifying the railways into a national system since different railways in China were contented to function in their own particular territories with their own regulations, fares, rates and classifications of goods and so forth thus having caused inconvenience and delay to travellers intended for through trips and making through traffic to merchants almost impossible prior to the first inauguration of the through traffic facilities in April of 1914.

Through Traffic Administration

The Railway Through Traffic Administration was originally organized in four divisions, namely, General Affairs, International Through Traffic Affairs, Domestic Through Traffic Affairs and the Railway Clearing House but in July of 1927 it was reorganized into two main divisions:—The Through Traffic Bureau and the Railway Clearing House, which are controlled by a director and co-director. In order to maintain the necessary liaison with the Ministry of Communications the post of the director is held concurrently by the director of the Railway Department of the Ministry. The Administration is entrusted with the arrangement and management of all matters relating to interline business such as correspondence on through traffic matters, through time tables, joint station affairs, conferences, regulations and tariffs and the clearing of through traffic revenues together with the records and accounts relating to interchange of rolling stock between the railways. It is also charged with the duty of making investigations and plans for the development of through traffic, namely, preparation of advertisements, and the publication of city and tourist literature and posters for the railways. The interests of the railways are fully safeguarded by the fact that the Administration can take no action on any matters without the approval of the railways concerned and the confirmation of the Ministry either by correspondence or at the various through traffic conferences.

In the clearing of the through traffic accounts the Railway Clearing House Division receives the returns of the through traffic from the stations and audits them and apportions the receipts among the railways concerned. It supplies monthly statements to each railway giving full details of the railway's traffic in such a form that the data thus given can be carried into the prescribed classification heads in the railway's own accounts. It also supplies monthly abstract accounts for each variety of through traffic which inform each railway as to what balance is due to be paid or to be received from other railways on the through traffic schedules but the Railway Clearing House does not receive or pay out through traffic balances, regarding which the railways settle among themselves directly on the figures as contained in the monthly abstract accounts. All the concerned railways have entrusted all their through traffic accounting work entirely to the Railway Clearing House, thus saving considerable time and expense. The railways safeguard their revenue interests by annually appointing two auditor who examine, on their behalf, the accounting methods and the statements issued by the Railway Clearing House and report the result of their examination to the Chief Accountant's Through Traffic Conference.

The Railway Through Traffic Administration also represents the Chinese Government Railways at all international through traffic conferences, while its Railway Clearing House Division receives and checks all statements of revenue for international through traffic which relate to the Chinese Government Lines. The Railways Clearing House also compiles all the required statements and apportions the revenue and prepares and issues the necessary returns of traffic and the settlement accounts to each line concerned.

Through Traffic Conferences and Consequent Increase in Mileage

The first traffic managers' conference was held in Tientsin, October, 1913 and it was participated by the Peiping-Hankow, Peiping-Suiyuan, Peiping-Mukden, Tientsin-Pukow and Shanghai-Nanking Railways in which the arrangements for booking through passengers, baggage and parcels between the principal stations of the said lines were made. From 1913 up to 1925 inclusive with the year 1924 excepted, this traffic managers' conference together with the chief accountants' conference was held annually either in Peiping, Tientsin or Shanghai. It was through the sheer effort of those through traffic conferences that the through traffic facilities for booking through passengers, baggage and parcels were offered by the Peiping-Hankow, Lunghai, Pienlo, Taoching, Chengtai, Peiping-Suiyuan, Peiping-Mukden, Tientsin-Pukow, Kiaochow-Tsinan, Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railways which also carried through goods traffic with the exception of the Kiaochow-Tsinan Railway.

From 1913 to 1926 inclusive the China-Japan Through Traffic Conference was held annually in Peiping, Dairen, Tokio and Keijo interchangeably. The China-Japan through traffic facilities were as follows:-by the route via Chosen, Shanghai, Tsingtao, Tsingtao-Dairen, to and from Dairen via Tientsin and as well as the Yangtse steamers between Shanghai and Hankow and the steamers between Shanghai and Dairen in addition to through railway facilities offered by the railways of China, Japan and Chosen.

Three Chinese Government Railways-Chinese Eastern Railway Through Passenger Traffic Conferences were held in 1921, 1923, and 1925 at Peiping and Tientsin respectively. Arrangements for booking through passengers, baggage and parcels between the Chinese Government Railways on the one side and the Chinese Eastern Railway on the other side via the South Manchuria Railway between Mukden and Changchun, were made at those conferences and enforced.

It was through the two North China Through Passenger Conferences held in Peiping and Tientsin respectively in 1922 and 1925 that single and return tickets were once on sale for through passengers, baggage and parcels between the principal stations on the Peiping-Hankow, Peiping-Suiyuan, Peiping-Mukden, Tientsin-Pukow, Kiaochow-Tsinan, Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railways on the one side and the Kirin-Changchun and Supingkai-Taonan Railways on the other side via the South Manchuria Railway between Mukden and Changchun and Mukden and Supingkai respectively.

The Chinese Government Railways, as the result of their participation in the two Europe-Asia Trans-Siberian Through Traffic Conferences held in Moscow and Berlin in 1925 and 1926, will begin to issue single tickets and to register baggage through from their principal stations to the large cities in Soviet-Russia, Latvia, Esthonia, Lithuania, Poland, Germany,

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*The major source of material in this article is gleaned from the reports of the Railway Through Traffic Administration submitted to the Ministry of Communications at Peiping, from 1919 to 1926 inclusive.

Where Yellow Rules White

BY OLIVE GILBREATH

(Harper's Magazine for February)

NOT even in the days of marsh monsters has the world been more packed with drama than it it to-day: the drama of the air, the drama of far continents, the drama of under the sea, the drama of ideas, of electrons, and of ether. Not least of all, that toward which all others seem to lead—the drama of changing peoples, of shifting social orders and races. Every now and then the center of the human drama leaps to a new corner of the globe. In the past few years it has reverted to those level plains from which the horsemen of Genghis Khan set out to conquer Asia and Europe. Let the man who does not believe this journey to China. And let him make the journey by way of Russia. In Russia he will see an absolute *bouleversement* within the white race—a new social order under the sun. In China he will be confronted by something even more astounding. He will see a reversal in the relations of the white and yellow races. The most memorable sight in the East to-day is not Yokohama struggling up from the ashes or the modern stone buildings of Shanghai or Tokio. It is North Manchuria—a Chinese policeman beating a white driver.

Ever since the Kaiser coined the phrase "the Yellow Peril" it has maintained journalists in the style to which they were accustomed. But while the hue and cry have been hawked in the streets by newspapers, it is little realized that in one city in the world the thing is a *fait accompli*: the Oriental has ascended to the seats of power, is sittiug there, and has been sitting there for some time. This city is Harbin, the only white city in the world run by yellows.

In appearance Harbin is pure Russian. There is little to suggest that it is not a city of black earth Orel or Tver. Like most Slav cities, it has never been able to pull itself together but wanders over the plain, old Harbin here, new Harbin there and, in a different quarter along the magnificent Sungari River, the Port: all laced together by wide streets and mammoth bridges—the only scale that the Russiam seems to know. The cobbled streets are the same as those of Moscow, and the horses' hoofs that clatter down them. The capacious stone buildings that line the streets, the shops, and the cinema are similar to those that rise in Vladivostok or Leningrad. The steamers on the river are Russian; the twisted green and gold spires of the churches and the little kiosks. The *traktirs* and gardens are Russian, and in them sit Russian crowds eating sunflower seeds. The music is Russian, the gaiety and melancholy, the cafes and the caviar. *The smell is Russian.* Need anything further be said?

A Curious Flag

In the bright Manchurian sun, however, flies one of the most curious flags in the world: the upper half is the Chinese five-barred flag, the lower—not the upper—half is the Soviet sickle and hammer. Down the street clatters a Russian *izvostchik*, swinging his long whip over his shaggy Siberian pony. In the old days that long careless whip would certainly have flicked any Chinese tardily crossing the road. Now the traffic policeman who puts up his hand at which the bearded Jehu stops short has a yellow skin and slant eyes. If there is an altercation the Russian will be slapped or beaten before a crowd and there is no redress. If he is arrested, it is the heavy hand of the yellow that hales him to the *yamen*, and the justice he meets is yellow. The mass of the city is white, but the wires, the antennae that control it are Chinese. The whole administration, in short, of this Russian city of eighty thousand is Chinese. If you rise early enough you may even see the Chinese mayor making his rounds. He is a Buddhist scholar and rises at six to see if the municipal plant is working.

To the man who revisits the Far East this spectacle is as astonishing as seeing the Mississippi run dry or the Statue of Liberty fall upon her face. After he has recovered from the first bewilderment the spectacle teems with questions. How did it come about? Is the administration efficient? If so, *why*? Especially does the traveler ask this if he has just come up from China proper and witnessed the chaos there: the threatened disorganization of the posts, the bankruptcy of the telegraph, the ruin of the railways under advancing Chinese control. Is it possible that this experiment here in the north suggests that, if once he could be extracted from the melee of rival war lords, the Chinese might not prove incapable of governing? How does the Russian react toward this Chinese overlordship?

II

The history of the *bouleversement* is simple. It is another wave caused by the mammoth stone which the Russian Revolution heaved into the world pool. Up until 1918, though on Manchurian territory, Harbin had been a Russian city. But in 1918 the White Russians, mainly the officials of the Chinese Eastern Railway, seeing the Bolshevik wave advancing across the Urals and hoping to save Harbin, invited the Chinese to come in and rule their own house. The Chinese needed no second invitation. They came and they brought an iron hand for their dealings with the whites. In spite of the defense measure, however, the Soviet took possession of the Chinese Eastern Railway. Their first step was to abrogate the former treaties and give to China half the control of the Chinese Eastern Railway. But the Chinese did not halve the control of the city. In all that concerns city administration they are still the sole masters.

Does Chinese policing of a white city work well? It depends upon the standards—Spotless Town or East of Suez. As East of Suez goes, Harbin is clean and safe, but East of Suez does not go far in either of these directions. Its forte is neither soap nor salubrity. Perhaps the most one can say is that the city plant has not visibly deteriorated, but perhaps it could not! Chinese coolies armed with long brush brooms sweep the streets. After several months it was discovered that they only swept the dirt from one side of the street to the other. A few Russians were added, and the streets are now as clean as ever. The traveler need no longer give Harbin a wide berth. Not many years ago, the Harbin and Vladivostok papers read like a *Police Gazette*. The visitor venturing up from Peking or over from Japan, after perusing the police report of the night before, warily transferred his bags to Changchun and fled back to civilization.

He no longer does this. He can go to Harbin and take the trans-Siberian train or sojourn there unharmed. The money and the carriages are probably the greatest danger he will encounter. Every filthy ten-kopeck note—patched and repatched—carries the seeds of ten thousand deaths, every broken-down *droshky* twenty thousand. After the money and the *droshkies*, the traffic police are the next danger. A Chinese traffic policeman, when he is borne down upon by several cars, generally brandishes his arms and invites all, indiscriminately, to dash in all directions at once. A hospitable gesture—whether rooted in paralysis or politeness—but hardly safe. If one escapes the money and the traffic cops he runs no special risk of being sandbagged—that is, no more than in Chicago—or of having his furniture moved, more than in Long Island. In brief, he is safe unless he be very poor or very rich. If he is either of these he has special attention from the police.

The worst crime in Harbin is poverty. Out of a population of eighty thousand Russians, a large percentage are *emigres* who flooded over the Urals during the Revolution, sleeping four deep on the floor of the Siberian stations, leaving their dead unburied as they fled, and now clinging to life in the back streets of Harbin in a state little short of debasement. Over these the Chinese police keep a heavy hand. Many must beg for a living, but the police permit them to beg only on one day a week; then they go from shop to shop, receiving a penny or so at each door. Many poor in Harbin never appear until after nightfall and then only on the deserted back streets. All live in the daily terror of either being sent back to Russia or shunted farther into China.

But poverty is not the only way to attract police attention. The rich also receive their share. Whenever the police need money—and when do the police not need money?—a victim is selected, either Chinese or Russian, and golddigging begins. Sometimes legal means are used, and the "prospect", is arrested for some heinous offense, such as appearing in a hat or buttoning his coat, and he is dragged to the police *yamen*. But often the refined circumlocutions of legal means are omitted as tedious, and he is simply kidnapped. Every rich Russian or Chinese anticipates falling into the hands of the police once or twice a year. One victim in Harbin is said to have already yielded two hundred thousand dollars in ransom money. The victims pay as they do in Shanghai, where kidnappings are frequent, and so perfect is the police system that they never discuss their treatment. Yes, cleanliness, law and order, and a good police system prevail—the cleanliness, order, and police of the East.

The Soviet have surrendered Harbin to the Chinese. There is no apparent friction over the city administration. With far-reaching schemes in the Orient, Moscow can well afford to let the Chinese rule Harbin so long as she does not lose her hold on that greater prize which is the key not only to Harbin but to all north Manchuria—the Chinese Eastern Railway. This, and not city administration, is the matter of first importance. Thanks to its exorbitant freight rates on parts of the line where there is no competition, the Chinese Eastern Railway makes stupendous profits. Twenty-eight million rubles were recently divided by the Dalbank, half to the treasure chest of Stalin and half to that of Chang Tso Lin (then alive). The money melts away like sugar in the Sungari but there is always more to come. This division of spoils and the lynx-eyed necessity of watching each other to see that neither encroaches on the control of the railway very comfortably occupies the Chinese and Russian

Machiavellis. But underneath this official *status quo*, the relation of the two races *en masse* is a gruelling drama: persecution and abuse from the Chinese, fear and humiliation on the part of the Russians. Under Chinese rule, the man without a country is seen at his worst.

The White Man's Loss of Prestige

Two things are responsible for the loss of prestige of the white race: one is the fact that the white man now does manual labor; the other is the increasing number of Chinese-Russian marriages. Perhaps, after all, the most significant sight of the Orient is not a Chinese policeman striking a white driver. Perhaps it is a little ragged Russian girl with bare feet, her kerchief tied over her fair hair, washing windows in a Chinese house. For the first time in the history of the East white men work as coolies. Russian and Chinese porters together meet the trains. Russian and Chinese waiters serve together in hotels. Russian and Chinese longshoremen load and unload the steamers. The Chinese has never read William Morris or Ruskin. He knows nothing of the "dignity of labor." He himself never works when he need not. He cultivates peonies or goes in for cricket-fighting or something that makes life worth while. Ever since the first voyager first landed on these shores of limitless coolie labor the unwritten law has been the white shall do no labor with his hands." Now that the Oriental has seen the white man bent under loads of bean cake, the white has lost something he can never regain.

The second factor—both cause and effect of Chinese ascendancy—is that growing number of streets in Harbin given over to Russian women married to Chinese men. There have always been marriages between Orientals and whites since the first clipper ships landed on these shores without women in their holds. One of the pictures of Hongkong and Shanghai or Kobe has been the blond-bearded viking striding along the street, his lily-footed wife toddling in his wake at a respectful distance. In the old days of the China Coast, however, it was the Occidental man who married or kept the Oriental woman. A reverse order was a coast scandal. But the world now is full of reversals. Every modern war lord buys not only aeroplanes and alarm clocks from the West, but adds a few white wives to his harem as *zakouska*. And not only the war lords add Russian women to their menages, but among the poorer classes there are many marriages.

Since women are the home-makers, the families thus constituted live as whites—as slip-shod whites, for the marriages are usually among the very low classes. But in the physiognomy of the childern Chinese blood dominates, as it always dominates the less well-established germ cell of the white. The effect upon the Chinese and Russians themselves involved in such a union is lowering rather than otherwise. In close contact with the Russian, the Chinese always loses something difficult to define but easily recognizable —perhaps an inner harmony, the heritage of the oldest civilization in the world. The white women who thus marry seem to lose caste. The prestige of the white race is still sufficient for that. At least they form a society of their own and keep to themselves in company with the other white women who have married Chinese. At first impression it seems a curious rather than encouraging experiment of nature. Perhaps it is her first foreshadowing of her uncaring way of solving the race problem. Stranger things have occurred in her vast melting pot.

Certain it is that certain chemicals are exploding into new forms in the Orient. It would take a very astute intelligence indeed to analyze this changing psychology of Asia and the deep bases of it. One group of foreigners talks of the "inferiority complex." To them, the Chinese and Japanese have long been inflicted with an inferiority complex thrust upon them by the guns and commerce of the West, and are now revenging themselves. Another group talks of the "superiority complex." It holds that the Chinese have always known their race and civilization to be superior, have held the West in contempt, and are determined to seize and hold their own.

Whatever the basic psychology, the result seems to be the same. China is awakening and awakening arrogantly. Soviet propaganda, the mastership in Harbin, white men and yellows working together as coolies, the fresh accessibility of white women—all have left their mark on the Chinese mind. There are many other contributory factors too complex to analyze, but the main factor lies in that flood of Russian *emigres* flooding over the Urals who now tread so warily with the Chinese. The moment the Chinese saw the first Russian standing on the street and selling matches the status of the white world changed. And the day the first ragged Russian went to drudge in a Chinese house was more important than the signing of the Versailles treaty. For on that day the constellations of East and West shifted in the heavens.

With what result have the constellations shifted? Is China awakening to assume her obligations or only to make demands? Does the Harbin experiment mean new potentialities in the race—strength, honesty, efficiency? (Every one of these is a volume in itself in China.) In this remote north is a new type developing which augurs well for the solution of national problems? Those who know China best are the slowest to answer. Only time can tell.

Certainly here in the north is a freer atmosphere. For years Manchuria, containing Harbin and Mukden, has been Chang Tso-lin's special province—his source of revenue and the sanctuary to which he fled when hard pressed south of the Great Wall. He has drained it regularly and ruthlessly. In spite of all this drain, however, it has prospered. Lying serenely to the north, cut off by the Great Wall, by Chang Tso-lin's armies, it has escaped the fever with which the rival war lords have kept China seething. Here, if anywhere in China, there seems the possibility of a new type with a clearer head and a stronger will.

And a good type does seem to have shown on the horizon: remarkably keen and intelligent in business, quick to grasp an alien language even as difficult as the Russian, shrewed in everything except the principles of government. It is the science of government that he must learn if he is to pull his great kingdom there to the south together and gain the confidence of the West. Not through theoretical schemes of government on paper—a million here for a power plant, a million there for radio when his treasury would not yield a copper cent if scraped—can he demonstrate his greatness but through the thing at hand: less arrogance and less abuse of the peoples over whom he has authority.

III

The Russians would, perhaps, feel more keenly the humiliation of being ruled by Chinese were they any other race than Russian and if their own world were not so laden with drama. Harbin is like one of these boxes one takes apart, finding always another inside. Within the drama of the yellow and the white there is another drama of the Red and White. The officials of the Chinese Eastern Railway represent Moscow, and whoever controls the Chinese Eastern Railway controls Harbin. But in population, Harbin is White Russian, the stand of the Old Regime.

There lies the rub and it is a hard rub. Go into a Chinese hairdresser's and a woman comes in straight from the Rue de la Paix. Attend an official dinner and you dine with Stalin. In Russia, the Old Regime has ceased to exist in sufficient numbers to affect the scene. In Harbin they sit side by side, with no other nation to obscure the type. The Chinese Eastern Railway dispenses its stupendous profits with a gesture of true Russian magnificence. It has built a smart railway club with a delicious cuisine, charming gardens, an opera. Last year it spent three hundred thousand dollars on the opera, with artists out from Leningrad and Moscow. At these playgrounds of the railway Red and White mingle. At one table in the gardens a group of the Old Regime—the women marked by their thin faces and fragile skulls, the men in well-cut clothes—are watching the sunset over the Sungari. At the next table is the shaven head and thick neck of a good Siberian bourgeois, tucking away a Gargantuan Russian meal: he wears a Russian shirt, his boots smell of oil. He is probably a profiteer in furs; the woman with him wears a pink silk blouse and many bangles. A few Chinese faces here and there give the scene the strange flavor of the Far East and the Far North. But mainly the scene is Russian: Russia old and mellow; Russia new and masterful. The railway—that great power which sustains, overshadows, and rules Harbin—is their common meeting ground. But there the line is drawn.

Magnificence and Squalor

Here and there in the city are evidences of the gigantic contest: not bullet holes and wrecked houses but, none the less, evidence. Take a motor and rattle over the ill-paved roads to Old Harbin. There you will come upon a chapter redolent of the past: a little collection of one-storied houses, the dirt roads winding like cow paths. It was the outpost of the Trans-Siberian when Russia was an adventurous empire striding toward China and the sea with her advance guard of Cossacks. At the end of a road, overhung with trees, is one of the strangest bits of mosaic in the East, a white-pillared house of old Russian style, built privately for the head of the Trans-Siberian Railway when his state approached that of Viceroy of this wild country. Vast rooms, polished floors, a park where the nightingales of Turgenev might have sung—all at the end of the cow paths. It is unconfiscated because it stands on Chinese territory, but even in Harbin it is unique. All the other big houses are occupied by the Soviet, the former inhabitants eking out an existence as best they may—by selling milk and eggs, by being janitors. At least one new palace has been built on railway ground by the Soviet, and in both Old and New Harbin are Soviet parks, beautifully kept and open to the public—reminders of the new masters of the old land.

Why, one asks, does the Old Regime cling to this strag-

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gling frontier town at the top of the world, administered by Chinese and Reds and so full of tragedy? They cling here because pride dies hard; because, although poor, here they keep something of their identity; because they dread to be lost in the vortex of the West. For certain numbers the Chinese East offers a livelihood, though it is always haunted by fear.

The Soviet permits the White Russians to hold positions on the railway provided they have Soviet passports. Since in the beginning technically trained men were scarce, the pay-roll contained a large number of men who were not Red at heart. Moscow has not found this agreeable and has been recently trying to replace them with Red disciples. This was all the opening necessary for the Chinese who, taking advantage of the Mukden agreement, that there should be an equal number of Chinese with Russians—the number now being somewhat less—laid claim to the posts here. The result has been an interlude in the Whites' terror of dismissal, though a temporary one. Those who have any means of livelihood at all are fortunate. Most of the Old Regime Russians stay in Harbin because they are too poor to move.

The Russian heart does not harbor bitterness, but with the drama so recent, the atmosphere resembles that of our Southern border states after the Civil War. There is much propaganda still in Harbin, the money coming in from Europe; and where there is such propaganda there is bitterness. The customs could tell a strange tale of the wares that cross their counters: jewels in quantities wrenched from their settings so that they may not be recognized, silver cigarette cases marked with a crown, the coffee cups of a Grand Duke. But who is there to buy? The Whites cannot and will not. The Reds need not, it is said. In this connection an authentic story is told in Harbin, names and dates of which can be supplied. The wife of a well-known Bolshevik official, wearing a valuable sable coat, was stopped on the street one day by a woman, her shoes almost worn through. "Madam," said the shabby woman, "will you come with me to the police station? That is my coat." The wearer protested, but was compelled to go. "There is name and date written on every skin of that coat," the shabby woman informed the police. "If the coat is hers she will know what they are." The wearer was unable to say what was written on the sables. The woman with the ragged shoes then gave a name and date. The coat was ripped open and the name and date were found as stated.

The most pathetic pawns in the game are the girls thrown on the market. Whenever there is a break in the economic life of a nation it is always the women who are cheapened first. Never before has it occurred in such appalling proportions as in Russia. Shanghai is flooded with Russian girls who constitute much of the night life in that bizarre hybrid; not all are to be bought, but many are predatory to such an extent that it has been the subject of open debate in the Shanghai papers. In Harbin the life of man—especially of a bachelor with more than a sixpence in his pocket—is either a South Sea paradise or a case of St. Anthony, according to the temperament. When a bachelor moves into the quarters belonging to the customs or posts or one of the big business firms he usually finds a girl already established. She goes with the house like the furniture, and it takes more than a slant-eyed policeman to eject her. She does not appear at his parties but keeps discreetly hidden. Marriages have not been unknown, however, and any American woman with a fiance in Harbin is warned to take the first steamer thitherward. "Ladies must live," and so must superfluous bits of froth on the stream of life.

A City of Tragic Contrasts

Harbin, essence of tragic contrasts: of East and West, of old and new, of poverty and riches, the "City of Nechevo." And yet wherever are Russians there is life, and Harbin at night puts on a mask of hectic gaiety. There are ten cabarets which begin activity about midnight—tinsel affairs but clever and amusing. The cabarets are both expensive and cheap. The young "China millionaire" up from the interior with hungry eyes and his year's salary burning his monkey jacket can buy champagne, probably also the red-haired girl in green spangles with whom he dances, if he chooses. The artists are presumably *sans reproche*, but the girls who dance are in that borderland which adds piquancy to the *geisha*. The young China millionaire may spend his whole salary if he likes. But *pater familias* may also take the whole family for a dollar a head.

The cabaret is seldom vulgar, never abandoned. Sometimes there is a moment that touches the heart. Someone sings a gypsy song, the lights go lower. Out of the shadows seems to flow the deep river of the past, winding like a broad ribbon of memory; ahead stretches the misty, unknown future. One feels the Russian soul voyaging about on the bitter plain of experience: no longer friend and foe, the struggle against poverty, against exile, the struggle against yellow and against one another forgotten—all touched into a common race by memory. The moment passes. The lights blare on. A troupe climbs down swinging ladders, clad in powder and paint. Harbin, the "City of Nechevo."

While inside the city drama within drama unfolds—the drama of power on one hand against fear on the other—outside, Manchuria herself, twice as big as Germany, prepares the next battlefield of the world. One line of battalions already moves across the horizon. Through the gates of Harbin themselves flows a constant stream of blue: Chinese coolies who have fled famine-stricken, tax-ridden Shantung and Chihli pour hungrily over the empty brown plains. Through the break in the Great Wall and the ports they swarm, two million this year and millions more in the loins of these. They bring their wives and children with them, even now and then an aged father across a stalwart back. They carry bedding rolls and bundles that contain all they own in this world, some of them carry a hoe. The sunshine pours down into the plains, warm and golden; the flags hang limp in the air. The scene looks serene and peaceful and remote from wars. No enemy is in sight. Where are the antagonists?

One sits in Tokio: a small dapper gentleman who in his lesiure has a passion for jade and gardens. The other sits in the Kremlin: a stoutish person in a peasant shirt. One holds the key of the South Manchurian Railway, the other of the Chinese Eastern Railway and the Trans-Siberian. Both look with disappointed eyes at Manchuria. The figure in Tokio long ago had a dream: it was a dream of the rich stream of life, but pouring in from his own islands across the way. He has resigned it sorrowfully but finally; he knows now that the Japanese farmer cannot compete with that blue-clad figure with the grass-and-mud cake tucked in his coat. The peasant in Moscow—only he was not a peasant then but a suave gentleman in a frock coat—also once had a dream: it was of a great Slav empire with free outlets to the sea. That also has passed. Manchuria will be Chinese: only an act of God can stop that now. But the control of that output, the sovereignty over this rich virgin land? Who holds the key to that?

If the shield of Manchuria were drawn, it should be three figures *couchant*: the bear, and two dragons—a white and two yellows. A battle of railways and ports fought for the last west. Each has her weakness and her own strength. Against Japan works the innate distrust felt for her by China and by Russia; for her, endless cleverness, her militant vigilance and her determination to keep the "special position" which she avers she won in the Russo-Japanese war, and which she states she will hold at the point of the sword. Against China is her chaos and her lack of organized resources; vastly in her favor, the mighty mass of twenty million coolies already on the land. The bear is probably the weakest of the three. Against him stands lost prestige in the Far East and complex internal problems. For him, ten years of experience which has developed some of the cleverest brains in the world, and the fact that as an ally or enemy Russia is the immediate giant of the future.

What happens in Manchuria will carry results for the whole world. It would be interesting to open one's eyes in Harbin a hundred years from now and gaze at the seats of power. White or yellow? And if yellow—which?

Hin Wong in Kwangsi

To the Editor. *The China Weekly Review*:

Not until some days were over did some delegates to the Third Kuomintang Conference in Kwangsi discover that their proceedings had been closely noted by one whose journalistic activities had at one time world-wide connections and who is now today giving Kwangsi international publicity through his efficient spread of literature on the various topics of this province both in the Chinese and the English language. Much has been written and published of Kwangsi's progress the last year or two and this has been directed in large part by this journalist who was one time an assistant to the present Foreign Minister at Nanking and who had also at another time the present Railroad Minister at Nanking as his assistant, when the Military Government of the Republic had its seat in Canton before the downfall of the Peking militarists.

This journalist is Huang Hsien-chao, known better to many outside Nanning, Kwangsi, as Hin Wong, sometime director of the Intelligence Bureau of the Military Government and editor-in-chief of the *Canton Times*. Mr. Wong's work appears to have achieved success. Kwangsi has made good use of the services of Mr. Wong. He is well-known for his work. He was one time manager of an advertising agency in Canton aud used to draft advertising schemes for some big stores (Chinese and foreign) in Canton and Hongkong, besides running a Chinese newspaper. He has no business interest in Canton now, as the Bolsheviks whom be used to attack had confiscated all his property the last few years when they were in control of that city.

Mr. Wong's head office is at Liuchow, the seat of the forthcoming industrial exposition of Kwangsi, but he also has an office in Hongkong with the Trade Office of the Bureau of Reconstruction of Kwangsi in the Bank of Canton Building.

Nanking, March 2, 1929. W. B. H.

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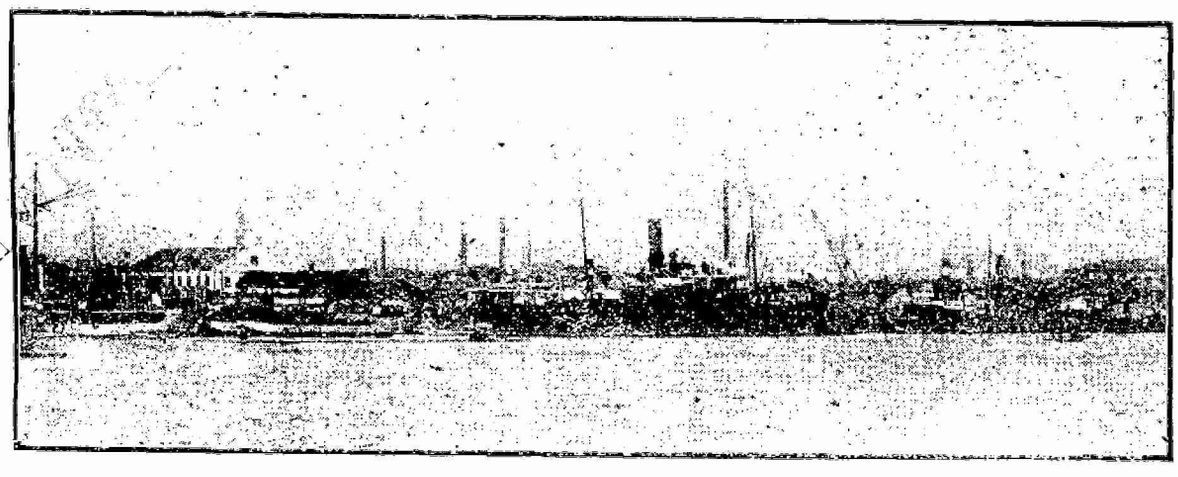

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Gold in the Far East

BY BORIS P. TORGASHEFF

Sometime Lecturer of the Peking National University

(Concluded from last week)

Besides the domestic gold output, which valued in 1926-27 at over Yen 7,900,000, Korea annually exports to Japan proper about 16,000 to 17,000 metric tons of silver-gild-bearing ore ("Au & Ag concentrates"), valued approximately at another Yen 1,800,000. These concentrates are treated in Japan and the gold extracted, from 500 to almost 1,000 kilograms, entered Japanese official statistics as a produce of Japan itself.

***

To promising geological conditions must be added general economic conditions favoring the gold mining industry of Korea.

The climate is bracing and healthy, free from extremes of heat and cold.

The government roads are excellent and penetrating into all the parts of the conntry.

With regard to labor condition, it is said, there is no other country in the world which can successfully compete with Korea as regards the value of its mining labor.

VIII.

Gold in the Philippines.

Alluvial gold occurs in the Philippines practically on every island and nearly in every district. Prof. Warren D. Smith well known geologist for his research work in the Philippines who was at one time Director of the Government Bureau of Mines in Manila, says that he has never encountered a river or a stream in the Philippines but that traces of gold were present, and that, in the regions of igneous or metamorphic rock, quartz veins and calcite are very frequent occurance. Another authority, the American geologist Eddingfield, says that the great occurance of quartz-calcite-manganese veins, with which is associated the presence of gold, is characteristic feature of the Philippines.

Gold deposits in the Philippines occur, as a rule, in association with either andesites or diorites, principally. However, in the district of Parcale they have been found in vein close to the contact of granite-gneiss and diorite-schist. The Philippine lode deposits appear to belong, as to their origin, to the period of the Miocene Revolution.

Placer gold of the Philippines usually is well rounded and not very coarse. In some parts many nuggets have been found, weighing over 30 grams each. The average placer gold runs about 790 fine in gold and 200 in silver.

The native population of the Philippines has been extracting gold from the lodes and alluvials for centuries, long before the coming of the Spaniards, and even at the present time a large number of natives gets a livelihood by panning the streams. The Spaniards have made attempts to work gold in certain localities, but only sparse data has reached us concerning that period. Following the occupation of the Philippines by the Americans, it was not the Americans, but, strange though it may seem, the Australians and New Zealanders, who turned their attention to Philippine gold and commenced modern works, while the Americans followed their example.

According to Prof. Warren Smith, above cited, the most promising gold bearing areas are the following: the whole mineral belt from Baguio north to the Pacific Ocean, following very nearly the crest of the Central Cordillera. The Cordillera of Camarines Norte, south of Parkale. The Main Cordillera of Panay on the boundary of Antique Province. The Eastern Cordillera of the island at Mindanao. Less is known about the gold on the islands of Palawan, Mindoro and Luzon.

The modern gold mining industry of the Philippines can be considered as having existed not over twelve, or even ten years. At the present time, if we emit a number of companies in process of organization and prospecting, only six modern equipped gold mining concerns are in operation on the Philippine Islands: three of these working vein gold by the cyanide process and three conducting dredging operations. The greater part of the present output of gold in the Philippines is produced just by these six concerns. The general development of the production of gold on the Philippines, according to the official data of the Manila Bureau of Mining, was as follows:

Table 21

Year.	Kilograms.	Value in Pesos,
1917	1.990	2.645.784
1918	1.938	2.575.970
1919	1.971	2.619.449
1920	1.921	2.424.606
1921	1.976	2.626.192
1922	2.206	2.932.092
1923	2.537	3.372.654
1924	2.522	3.352.039
1925	2.928	3.891.979
1928	2.579	3.057.298

(One peso equalls 50 cents U. S.)

With the exception of a few mistakes made by minor companies, which commenced to work known since old times and already exhausted alluvials, all the other gold mining concerns are doing good work and firmly developing their operations, so that during the past seven or eight years they have been paying their share-holders from 25% to 35% dividends. A number of large gold mining concerns is still in the stage of organization and preliminary work, and Prof. Warren Smith considers that when all the gold mining enterprises will be engaged in active work, the general annual production of gold may reach as much as 50.000 kilograms.

Unless this is unnecessarily optimistic, Philippine gold has a definite future.

IX.

Gold in Indo-China.

Gold and gold mining have been known in Indo-China since times immemorial. A number of most ancient manuscript documents, in which reference is made to ancient Indo-Chinese civilizations claiming greater antiquity than the many-thousand-years-old Chinese civilization, frequently mention Laos as an important center of the ancient gold mining industry. Indeed, it continued to possess this importance down to the period of the creation of various Chinese state formations. The ancient gold mining industry of Annam, likewise, dates back to former times, though it was still floursishing comparatively not so long ago, in the times of Annamite kings. Annamite history has made famous the gold wealth of the Nui-Kem valley (Nui-Kem—Golden Fields). This river forms part of the system of the river Song-Wan, which, in translation, means the River of Gold.

It has at present been proved that all the steams and rivulets of the upper reaches of the Mekong, in Laos, and the Song-Wan, in Annam, are gold-bearing, and the panning of gold still continues to be the favorite occupation of the natives.

The French Geological Survey of Indo-China admits in its reports that so far practically nothing has been done towards a serious exploration of the known since ancient times gold bearing areas. Some little data has been obtained from various geological expeditions, which, however, did not carry on investigations with psrticular reference to the gold deposits. Little as has been so far established, may be reduced to the following general observations.

In *Tonkin*, in the upper reaches of the Red River, both alluvial gold and gold-bearing quartz veins occur, but the local population is evidently ignorant of their presence, since no panning is being carried on and no indications of ancient workings are seen, such as are frequently found in Annam and in Laos. In 1926, two large modern gold mines started operating in Bac-Can province.

In *Laos*, gold-bearing alluvials mostly are of recent origin, but ancient terraces likewise occur and it was there-on the upper reaches of the Mekong River-that, evidently, the richest workings of the ancient Annamites and Laos natives were carried on. The alluvial deposits of Laos have been are found now to be greatly exhausted and yield at present a very low contents of gold. However, the geological information already collected gives reason to expect that alluvials and quartz veins of commercial value untapped by the ancient works will be discovered. In fact, two or three such discoveries have already been made, and they have brought the attention of the local Geological Survey to the advisability of a careful re-investigation of the ancient deep shaft workings which frequently occur in Laos.

In *Annam*, placer and vein gold are found in abundance in the Song-wan valley ("River of Gold",) where gneisses surmounted by the micaschists are well developed. The ancient Annamite gold mines are in eviedence in the (Nui-Kem Fields of Gold) valley, where not only alluvial, but vein gold as well, has been mined by means of deep shafts. During the recent investigation, several lodes of commercial value have been found, lying in mica-schists and fairly regular, composed of iron pyrites and galena in a gangue of quartz and schist. In quartz itself the gold is found in sulphides, but not in considerable quantity. The concentrated ore yields from 30 to 45 grains Troy of pure gold to the ton. Gold nuggets contain 80 per cent of fine gold and 20 per cent of silver.

The vein gold deposits, with a few exceptions in Annam, have not yet been at all investigated by the French geologists,

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so that the value of Indo-China from the standpoint of the gold industry on a large scale is thus entirely unknown. However, intriguing ancient accounts and historical documents on the past fame of the Indo-China's gold, and some promising results of the re-investigation of several ancient gold mines have lead the Indo-Chinese Geological Survey to the conclusion that the gold mining industry may once more become of importance.

The native industry is not regular and of no importance. It is carried on in Laos and Annam. French firms buying gold in Laos consider that from 200 to 300 kilograms of gold may there be purchased from the natives annually and some 300 kilograms in Annam, thus totalling the natives output of gold from 500 to 600 kilograms a year. To this however, must be added approximately 350 to 450 kilograms produced at the Bong-Mieu mine, in Annam, and a certain amount of gold purchased and panned by the Chinese which escapes any registration.

The modern gold mining industry in Indo-China has just begun. The first European organised mine, the Bong-Mieu or Bong-Miu Mine, at Co-Bai on the Nui-Kem River, the right bank of the Song-Wan River, Quang-Nam province of Annam, has been operating since a number of years, but owing to the absence of capital and equipment, its annual output fluctuated in rather modest limits, from 150 to 450 kilograms a year. The methods of working have been so backward that only 60 per cent of gold have been extracted from the ore. Since 1926, this gold is taken over by a large French company "La Societe Miniere Las Dos Estrellass", which is now engaged in the complete technical re-organisation of the mine.

In 1923-1924 another French concession commenced work in Laos, with a similar modest production of about 200-300 kilograms a year, but these operations were discontinued.

The first serious attempt to carry on working of gold mines, with sufficient supply of capital, date only to 1926, when two large French mining concerns: "Societe Miniere de Pac-Lan", with capital of 4,250.000 francs, and "Societe de Mines d'Or de Bao-Lac", which capital of 750,000 piastres, started organization of two mines in *Bac-Can* province of Tonkin. The first company will work in the region of Ngan-Son both vein and alluvial gold, with the latest technical equipment. The second company is going to work the alluvial deposits of the upper Song-Nang region, for which purpose it will use a dredge, with 200 litres buckets.

Both these mines have not been expected to produce any definite results even in 1927, and, therefore, we are not able to record here the progress of these interesting attempts.

X

Gold in Mongolia

There are numerous indications and historical documents pointing to the fact that gold has been produced since quite ancient times in Zungaria, in the western part of Mongolia, and in Halha, in the eastern half of Mongolia, prior to the Mongol conquest of Halha.

In Zungaria, as in certain other localities in Mongolia, legends have persisted regarding the rich gold mines of the times of the Khans Chenghis and Kublai. Western European literature contains references to the large quantities of gold brought west in those times by the Mongols.

All this is substantiated by a number of recent accounts of numerous Russian and foreign explorers in Mongolia. Contemporary data is available confirming the presence of large gold reserves in the mountains of Zungaria and in a number of other regions of Outer Mongolia.

Having never been densely populated, Mongolia has apparently never witnessed so intensive an exploitation of its gold reserves as we have seen in Indo-China and China itself, and Mongolian gold cannot, therefore, be exhausted to any serious extent; which is borne out by contemporary observation. Even now in numerous regions the Mongols are extracting a small amount of gold. In general, however, the Mongols consider mining contrary to their religious views and this has ever been a hindrance to the development of any mining in Mongolia.

The events of the past few years have driven quite a few Russians into Zungaria, and persons who have been in that country tell of the fabulous wealth of gold of its Rivers and streams. They point, moreover, to a large absolutely arid region in Zungaria, also fabulously rich in gold. Gold has further been found in numerous places in the Altai mountains and in the Tannu Ola range, also traversing Western Mongolia.

Of interest is, by the way, the following ancient Mongol method of obtaining gold from the gold-bearing stream placers, characteristic in its primitive nature, still in vogue. For this purpose the Mongols take lamb skins and lower them to the bottom of rapid streams, woolly side up. When they are completely covered over with sand, the skins are taken out and dried in the sun. Then the sand is carefully shaken out. The gold, being heavier, becomes entangled at the roots of the wool and there remains. The skins are next burned and the gold is melted out of the remaining ashes. Many are inclined to think that the myth of the *"Golden Fleece"* is based just upon this ancient method of obtaining gold, which became known in Europe, by the bye, in the times of Chenghis Khan, from Mongolia.

Gold is known to exist, and in undoubtedly rich quantities, in the eastern part of Outer Mongolia as well; in that part, at any rate, where it has been prospected and worked by the Russians. The eastern part of Outer Mongolia naturally gravitates to the Far East, all trade and communication with it being conducted by the following three routes: via Kalgan with China, via Sambes and Hailar with Manchuria, and via Urga with the Russian Far East. The author has, therefore, deemed it necessary to consider the gold production of the eastern part of Outer Mongolia as part of the Far Eastern output.

The presence of gold in commercial quantities in the eastern part of Outer Mongolia has been established in the following six regions of vast extent:

1.—*The Sayin-Nayon Aimak*, in streams flowing south from the Hagai Range watershed. Gold has been mined there prior to the Mongol conquest of Halha. The Russian Gold Mining Company "Mongolor" has prospected this region and found it no less rich than the Urga region and containing many thousands of poods of untapped gold.

2.—*The Soyot lands*, lying east of Lake Kosogol. Numerous traces of ancient works exist there, and Russian prospectors are easily able to pan there a large quantity of gold, finding, occasionally, nuggets of considerable weight. This region has, so far, been little explored. Moreover, according to the reports of the Russian prospectors mentioned, platinum has been found in this region.

3.—*Urga Region* (*Tushetukhan Aimak*), where the Russian "Mongolor" concession has worked for nineteen years, having extracted during that period over 40,900 kilograms or 2,500 poods of gold. Only a negligible part of the gold bearing area in that region was ever touched by exploitation. One of the former members of the *Mongolor* Company personally supplied the author with information that many hundreds of tons of gold reserves remained there untouched, lying in areas easily accessible and excellently adopted for dregding operations.

4.—*Tsetsenkhan Aimak*, forming part of the *"Mongolor"* concession, partially explored by the latter, but not yet worked. The gold-bearing areas of this aimak are concentrated in its northern part, between the Zabaikalia frontier and the Kerulen River.

5.—*On the southern Slopes of the Great Hingan*, both in Barga proper, in the upper reaches of the Halha River, and to the south—in Silingol and other adjacent Mongol leagues. The presence of gold in commercial quantities has been established more than once by Russian and by Japanese experts.

6—*In the southern part of Mongolia, bordering on Konsu Province*, where gold has been found in numerous places in the Nan Shan and in the Torgut lands, but has remained totally uninvestigated, as in the province of Kansu.

The data collected by the Russian *Mongolor* Company during practically twenty years of its work may be summarized as follows.—Deposits are of alluvial character, of recent formation. Gold bearing sands are usually found at a depth between 7 and 14 feet, though in exceptional cases they are found at a depth of 21 ft. The average capacity of goldbearing lands varies between one and two archines or 28 to 56 inches. The average contents for the placers worked in the Tushetu Khan Aimak varies from 80 dolies (3.5 grams) to two Zolohinks (8.5 grams) to 100 poods (16.38 kilos) of paystreak.

The exploited Urga region is wholly situated on the Selenga River system, emptying into Lake Baikal, within the limits of Zabaikalia. So far gold has been worked mainly on the following rivers: Iro, Khargantai, Mohoi, Yalbik Tologoika, Kudara, Narin-Khargantai and Hara, where rich quartz—veins have been discovered as well.

According to information received by the author from members of the *Mongolor*, for the period from 1907 to 1912 the average annual production of gold amounted to 150 poods or *2.457 kilograms*. At the beginning of the war, in the year 1915, for instance, the output of the company was somewhat less, namely, 1,866 kilogrmds. According to Soviet publications, the gold industry of the Urga region has been again brought to producing as much as *1.600 kilogtams*, which figure has been included by the author in the Summary table of the Far East, illustrating the aggregated output of gold in the Far East.

The Russian *Mongolor* Company worked in the Urga region exclusively under the auspices of the Russian Govern-

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½ cup boiling water.
½ cup corn meal.
¾ cup molasses.
2 cups sour milk or buttermilk.
1½ cups flour.
1 teaspoon salt.
1 teaspoon soda.
4 teaspoons baking powder.
½ cup brown sugar.
2 cups graham flour.
½ cup walnut meats cut up.
1 cup puffed raisins.

First pour boiling water over the corn meal and stir well. Then add the molasses and buttermilk. Sift the flour, baking powder and soda salt and add the first mixture. Flour the raisins, and add them with the walnuts and combine the two mixtures. Pour into two greased pans and let rise for 20 minutes in a warm place. Bake one hour.

This makes a delicious sandwich bread for any cheese mixture, such as pimento cheese or cottage cheese well seasoned and a lettuce leaf between the two thin slices of bread.

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ment for practically twenty years, from 1902 to 1920. In October, 1920, having severed its connections with Russia and taking advantage of the political situation, this company sold out completely to the Americans for the sum of Rbls. 200.000. Both the administration of the company and the Americans were, of course, throughout, more than doubtful as to the right to sell the semi-governmental property of the Russian *Mongolor* Company. However, the present Mongolian Republic has not, so far, permitted the Americans to enter into their "right".

While speaking of foreigners, the author would here like to mention that Mongolian gold is commencing to attract the interest of large gold mining concerns of world repute. In 1920 and 1921, for instance, a scheme was in existence in London for the formation of a special company for the prospecting of gold in Mongolia. The project was not put through, however, due to the creation of the autonomous Mongolian Republic and the evident non-desire of England to complicate its relations with the Soviet Government. This has been mentioned by the author merely as a good indication of the fact that Mongolian gold should be reckoned as a quantity of probable world significance.

XI.

Principal Observations on the World Situation of Gold.

It is on the record of the Mint of the United States that, since the discovery of America, that is for the period from 1492 to 1924, both years inclusive, 944,010,000 fine troy ounces of gold, valued totally at U.S. $. 19,513,591,000, has been extracted throughout the world. If we add to this the production of the last four years, we shall find that by the year 1929 there should be in the world gold in the form of coins, ingots and manufactured articles to the value of not less than U.S. $. 21,000,000,000, or in a round figure something *about 31,940 metric tons* of fine metal, not including that which has come down from former times.

Gold, being a soft and wearable metal, becomes lost and returns into the soil. According to the estimation of the authors of certain special works, since the discovery of America some 10% of the gold has so been lost, including marine disasters, buried and lost treasures and other accidents. Considering this, the supplies of gold, since the dicovery of America, total by the present time to *some 28,400 metric* tons only, what really is not too much, if we take into consideration that, at the present, the United States alone consume for medical purposes, manufactures and arts up to 112 metric tons of gold annually, or about 19 per cent of the total world's annual gold output.

A substantial application of gold is its use as standard of value and a means of exchange, for which purpose a little less than *two-thirds* of the annual world output of gold is used. The remaining part, i. e. *more than a third*, is utilized in dental technique and various manufactures and arts. The expenditure of gold on such purposes, in dental technique in particular, has been increasing at so rapid rate that in the United States certain measures have been adopted to prevent more gold being used in manufacturing than goes into the mints. The growth of the demand for gold for medical purposes, manufactures and arts has begun to be a matter of concern to almost all countries with a gold basis of circulation. It has been figured out that unless the yearly output of gold increases rapidly in a few years time, industry alone will require as much gold as is being now produced annually and mints will be at a loss to find sufficient gold for minting money.

During the war and immediately following the end of the war, the world production of gold decreased in an alarming degree. During recent years the production of gold has decreased in South Africa, the United States and Australia, not mentioning the great diminution in the production of gold in Russia. During the whole post-war period no new great gold sources have been discovered, with the exception of the rich Tommot region in the Russian Far East,—the rich discovery in Nevada in 1926, and rapidly growing gold output in Canada. From the geological standpoint this should be no cause for pessimism, since it is calculated that buried in the earth is concealed more gold than has hitherto been extracted. Moreover, gold is known to be present in numerous uninhabited and but little explored countries. So competent an authority as C. Leith considers Siberia and South America especially attractive for future exploration.

The general trend in the development of the world gold industry is also deserving of notice, pointing, as it does, to an increase of the importance of vein gold production at the expense of the output of alluvial gold. In the fifties of the past century, during the epoch of the intensive exploitation of California gold, alluvial gold formed 87 percent of the world output, while at the present time alluvial gold forms only 60 percent thereof. As to its origin, the post-war annual world production of gold may be tabulated as follows:

Table. 22

Qualitative Character of Present World Production of Gold.

Geological origin of gold.	Per cent ratio to yearly world output.
Alluvial gold of recent geological epoch.....	20,0 %
Alluvial gold of ancient Alluvials.....	40,0 %
Total, Alluvial gold.....	60,0 %
Vein gold.....	33,6 %
Gold extracted from copper ores.....	5,2 %
Gold extracted from lead-zinc ores.....	1,2 %
Total.....	100 %

The first place in the production of gold is occupied by British Africa (Transvaal, Rhodesia and British West Africa), of which the Transvaal colony alone yields about 50 percent of the world production. The British Empire as a whole, including, besides Africa, Australia, India, Canada and all the other possessions, produced, during the last recorded three years—,70 percent of the world output.

The United States rank second in the production of gold, yielding, however, only 12 percent of the world output. Besides this the United States control in other parts of the world some 5 percent more.

Now, as before the war, Russia occupies third place, but whereas before it produced over 60.000 kilograms of gold, i. e. about 6 per cent of the world output, at present its gold production has been reduced, owing to the after war political circumstances, and by no means to the exhaustion of its reserves, to—21,983 kilograms, as in 1926 thus forming about 4-5 per cent of the world output.

It should be noticed that there has been a marked increase of interest in gold mining on the part of the French since the war. Thus at the present time French capital controls approximately one tenth of the Transvaal gold and is taking some part in the gold mining industry of Mexico and South America; controlling, in general, about 6 per cent of the world output.

On the basis of all available data concerning the world production of gold in recent years, it may be said that the world gold industry since 1923 has begun to recuperate from the decrease it experienced to one third of its prewar production, and that foreign capital is willing to enter any newly discovered gold bearing regions. This should be taken into consideration in the Far East as well, where not only is there a wide field for new discoveries, but those fields already known have been but slightly exploited.

The following tables, compiled by the author on the basis of statistics on the world's mining of the "Internationale Bergwirschaft" of Leipzig, October 1928, give summary information regarding the world production of gold for a number of last post-war years, as compared with the years 1912 and 1913:

Table. 23

Annual totals of the world output of gold

Year.	Kilograms.	Value in U. S. $.
1912	701,379	486,157,515
1913	693,965	461,229,918
1920	508,405	337,901,215
1921	497,701	330,787,016
1922	481,537	320,043,936
1923	590,804	392,666,062
1924	587,499	390,469,460
1925	612,787	407,270,624
1926	587,895	390,732,654
1927	589,080	391,520,240

Table 24

World output of gold by countries.

In kilograms of fine gold

Country.	1912.	%%	1926	%%
British Africa.....	315,688	45.0	321,839	54.7
Canada	19,032	2.7	52,443	8.8
Australia....	82,018	11.7	18,678	3.2
Brit. India..	16,635	2.4	11,494	1.8
Total, All British possessions.....	433,373	61.8	404,454	68.8
United States..... ...	140,613	20.0	69,863	11.9
Russia.....	48,012	6.8	21,983	3.7
Total, incl.. other countries.....	701,379	100%	587,895	100%

Among the countries where the production of gold is definitely decreasing due to the gradual exhaustion of their gold

reserves, the United States is the most conspicious, followed by Australia and British India. Opinions differ concerning Mexico, some geologists asserting that discoveries of very great moment are possible there.

Of much interest is the rapidly growing production of gold in Canada, which has almost trebbled since the pre-war time. This country already is producing up to 55,000 kgrs of gold at a rather low production cost of G. $. 8 per ounce, against its established value of G. $. 20.67. This is 38.7 per cent, whilst in all the other most important gold-producing regions the production cost often comes up to 70-80 per cent or even more of the salable value of gold.

A prominent role in the world gold mining industry of the near future may belong to Siberia, especially to its eastern part known as the Russian Far East. The Russian Far East alone, if its production methods were rationalized, could yield no less than Transvaal.

Gold, as a standard of value and means of exchange, has been fixed at the following stable currencies:

Table 25.

Currency.	Price per kgr. of pure gold.
U. S. Dollars.....	664.63
Pounds Sterling.	136.568
Gold Roubles.....	1,289.10
Gold Marks.....	2,784
Gold Francs.....	3,437

One fine Troy ounce of gold, in terms of money, is being unchanging at U. S. $. 20.67, while one fine ounce of silver, based on the New York exchange, averaged at U. S. $. 0.563, in 1927, that is in ratio of *1 to about 37*, having gradually reached there figures from 1 to 9 in 1690, that is 237 years ago.

Foreign-Style Tailor Shops on the Increase

The number of Chinese tailor shops in Shanghai making foreign-style clothing has been considerably on the increase of late. Some details of the trend towards foreign-style clothes among the Chinese are given by the *Chinese Economic Journal*. Modernized Chinese generally are discarding their former costumes in favor of foreign dress and consequently the number of such foreign-style tailor shops in Shanghai has increased to nearly 300. These may be divided roughly into three classes. The first-class shops are mostly on Nanking Road, each being capitalized at from $50,000 to $100,000 and employing regularly 20 or more journeymen. They are not only tailors but also dealers in woolens, which they buy from foreign importers both for their own consumption and for retail to the small tailor shops. There are about 30 in this class. The second class shops are found mostly on Broadway, North Szechuen Road and Seward Road, each being capitalized at $10,000 to $40,000 and employing 10 or more tailors. The third class shops are chiefly in the French Concession and some of the less busy quarters of the International Settlement. Their capital ranges from $1,000 to $10,000 and the staff consists of but a few employes, with whom the proprietor often works.

Chinese Patriotic League Asks for Retrocession of Hongkong

The Chinese Patriotic League of Canton recently sent a message to Sir Miles Lampson, British Minister in China, informing him that the League had petitioned the National Government of China to secure the immediate and unconditional retrocession of the Island of Hongkong as well as Kowloon together with the rest of the British concessions of this country.

Among other things the League's letter said, "The immediate retrocession of Hongkong and Kowloon must be unconditional. Your Excellency will probably be able to recall the arrogant utterance of Ex-Governor Stubbe of Hongkong which was boycotted by Canton for eighteen months with such disastrous results to British merchants and British reputation. He was a typical example of die-hard British officials who have alienated the respect of the Chinese nation for the British people. The same specimen of arrogant British officials will yet be the cause of ruin and down-fall of the British Empire. If there is more humility and less arrogance displayed in this country by your countrymen, they will not be so unpopular with the Chinese people."

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Dr. Kemmerer Outlines Work of Financial Commission

Dr. Walter Kemmerer, head of the Kemmerer Commission, addressed the members of the Rotary Club at the regular meeting of the Club held at the Astor House, Shanghai March 21, Dr. Kemmerer outlined the work, the organization and the length of time usually required to complete the work of giving financial advice to governments. In some countries he had completed his survey and drawn up the necessary recommendations within a few months, while in other cases many months were required in which to carry the work to a finish. In the present instance it was expected that one year's stay in China would suffice.

The Commission in China, he said, has no connection with the United States Government.

Dr. Kemmerer said that a question frequently asked with reference to the work of financial advisers is: Do governments usually follow the advice given? "It is my own experience," he said, "and I believe that this experience would be corroborated by most others who have worked in this field, that a substantial part of the advice given is usually adopted and that in a large proportion of the cases the major part of the recommendations are followed." Dr. Kemmerer added that in the ten different countries where he had served, most of the plans formulated by him have, up to the present, been enacted into law and are now in successful operation.

Mr Kemmerer stated that one of the most common and vicious popular fallacies was the confusion between money and capital. Countries which employ foreign advisers, he said, are usually countries which are on a depreciated and depreciating paper money currency basis with the result that the public does not keep the money on deposit in the banks to any extent, nor hold much of it in its possession. Instead it passes on the money quickly. Such, however, said Mr. Kemmerer was not the situation in China, where the problems are of an entirely different character.

"Gypsy Moth" Plane Drops into Whangpoo

The *Gypsy Moth* plane which had been on view for about a week in the show rooms of Mark L. Moody, Inc., Shanghai, was taken out for a flight, Thursday afternoon, March 21 by Capt. W. E. F. Jones and A. Levenspiel, both with Arnhold & Co., Ltd. The flight was, however, of short duration, Piloted by Captain Jones, it first circled over the Sassoon building, flew to the Race Course and then returned over the Bund. When the plane reached the Whangpoo, the engine died and the plane dropped into the river. As the plane had no floats it began to sink. Capt. Jones crawled out on the wings and Mr. Levenspiel fell into the water, and held on to one of the wings. A passing boatman picked up the men from their precarious position. The plane was only slightly damaged and was later rescued by a barge. Warships in the harbor sent their boats to assist but their services proved unnecessary.

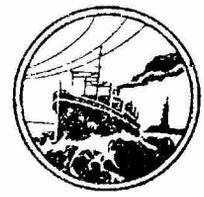
Chinese Railways Buy More Philippine Railway Ties

The *Manila Bulletin* in a recent issue stated that the largest single order for lumber ever received in the Philippines had been received from the National government of China. The order calls for $1,000,000 worth of railroad ties, for use in Chinese railway lines. This was the second order placed in the Philippines by the Chinese government. The first order was made through H. K. Kwong, Chinese consul general in the Philippines, and consisted of about $60,000 worth of lumber ties.

The National government was satisfied with the quality of the ties furnished and gave a large repeat order. The ties must arrive in China before the end of May, for use in the railway line between Shanghai and Hangchow.

Special Committee Recommends Sale of Electricity Department

The Special Committee which had been appointed by the Shanghai Municipal Council to consider the matter of the proposed sale of the Electricity Department has issued a statement recommending that the bid of Tls. 81,000,000 made to purchase the undertaking by the American and Foreign Power Co., Inc. be accepted. The Committee is composed of A. W. Burkill, chairman of the Electricity Committee, O. G. Steen, T. Saito, A. Bassett, and F. N. Matthews. The Committee gives its opinion that a plan to lease, as presented by R. D. Denman, on behalf of Lord Meston's group, is not advisable. The matter will now come before the meeting of the Ratepayers to be held next month, for decision.



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The Present Outlook in China

BY C. Y. W. MENG 孟長泳

IT IS indeed unfortunate that just at the time when the Third National Kuomintang Congress is in full session in Nanking, upon which much of China's future depends, there occurs the Hunan Affair which has now assumed a very serious aspect. The Wuhan troops, under the command of Generals Yih Chi and Hsia We, have already marched into Hunan. Orders from the Central Government and the Congress for the suspension of the military actions were disregarded. The disobedient generals were dismissed, but their troops are still advancing into Hunan and Kiangsi rapidly. In the north, General Pei Tsung-hsi, a leader of the Kwangsi Party was ousted, and, as was reported, had escaped to Hankow. In Nanking, General Li Chi-sen, the leader of the Kwangsi Party is now, as reported, under custody. Thus, we have a situation which indicates evidently that the war between the central government or Chiang's party and the Kwangsi party, in which Generals Li Chi-sen, Pei Tsung-hsi, Li Tsung-ing, are all leaders, would soon occur.

The Present Situation—an Historical Interpretation

But before entering into a discussion of the situation, let us first of all study briefly the situation that faced the Americans just after the Declaration of Independence, for it is our purpose to interpret the present situation in the light of past history, and then we will try to predict what may happen.

After the Declaration, America entered into a period which is well known in American history as the "Critical Period". At the end of the colonial period, America was governed by a congress without legal authority or any written constitution defining its power. When the Articles of Confederation were drawn up, they failed to give the Congress of the United States enough authority to carry out the power granted to it. At the very outset, they declared that each state retained its sovereignty, freedom and independence, and all through them the unwillingness to force the states to part with any of their powers is evident. It is no wonder that so weak a government failed to inspire respect abroad or obedience at home. The states with their conflicting commercial and agricultural interests, their diverse social and religious inheritances from early colonial days, their strong sense of local independence, nurtured by long defense against the British officials and strengthened by the meagerness of intercolonial trade and travel, were jealous to preserve their individuality unimpaired.

The Example of America

Then we find the Americans were divided into two parties, one favoring the "federal form of government" or to put it in simple terms, a "strong-centralized government," and one favoring the "republican form of government," or the "decentralized government." The Virginia delegation proposed a form of government more national than a confederation, depending for its existence on the will of the various state legislatures. But that from New Jersey planned that in the Congress that were still to be representatives of the states and not of the people of the nation, and each state, large or small, was to have an equal number of delegates. In short, the existing confederation was to be perpetuated with increased powers to be sure, but still without the strength, of a true national federation.

Some extremists, advocated a form of government in which the chief executive and the senators should hold office for life and in which the executive should have the power not only of vetoing states but also of appointing and removing the governors of the states, thus reducing the states to mere administrative departments of the national government like shires in England and departments in France. James Madison of Virginia proposed that the Constitution should be amended so as to give the United States full authority to employ force by sea as well as by land to compel any delinquent state to fulfill its federal obligations, or put in other words, to pay its shares of the federal assessment. There should be lodged somewhere a supreme power to regulate the general concerns of the confederate Republic, without which the Union can not be of long duration.

Hamilton's followers were called Federalists, and President Washington, Vice President Adams, were all leading members. They advocated a "strong centralized government" as opposed to the state governments. Their idea was to have one government for the people by a trained statesmen allied with the great property holders, while Jefferson's idea was a government for the people by the people.

In other words, America after the Declaration was enaged in a period of struggle between the "centralization and decentralization of authorities." But the point is this: Before Independence was declared, the colonies had no union, but suddenly they combined to fight for the common cause. Though they won their independence at last, yet internal struggles among states on account of their differences of interests, were apt to arise. Should America during this critical time first have a strong centralized government capable of governing all states internally and facing all diplomatic negotiations externally, America would stabilize herself at once. But should America have decentralized government, during this critical time America would have to witness many years of internecine warfare, the reason being that if at the beginning of the formation of a union, the central government is not strong enough, it could not control or subdue all states or provinces, and a more perfect or solid union would be impossible.

But it is fortunate for America that the Federalists' Party won the first game, and a strong centralized government was adopted. If the strong hand of Washington should be withdrawn from the government at this critical time, the work of the revolution might be ruined by the strifes of parties before it had had time to prove its worth. Determined that the law of congress should be obeyed by every state of the union, the administration had summoned the militia of Pennsylvania, New Jersey and Maryland, fifteen thousand strong to march against certain riotous countries in western Pennsylvania where the taxes on whisky distilleries were resisted and the United States excise officials attacked. Washington was reviled as "Tyrant, Dictator and Despot".

A Centralized Government—Its Result

What is the result when the centralized government is carried out right after the revolution, one asks? The following may be said to be the answers: Peace secured with foreign countries, credit restored abroad and the finances set in order at home, a navy created, domestic manufactures encouraged and foreign trade stimulated.

So, from our study of American history, we have gained the first principle—that is, if one country has just passed the revolutionary stage and has just entered into the political tutelage, it should adopt a "strong centralized government." Only after a period of administration when the people are better trained politically, the decentralized government might be gradually introduced.

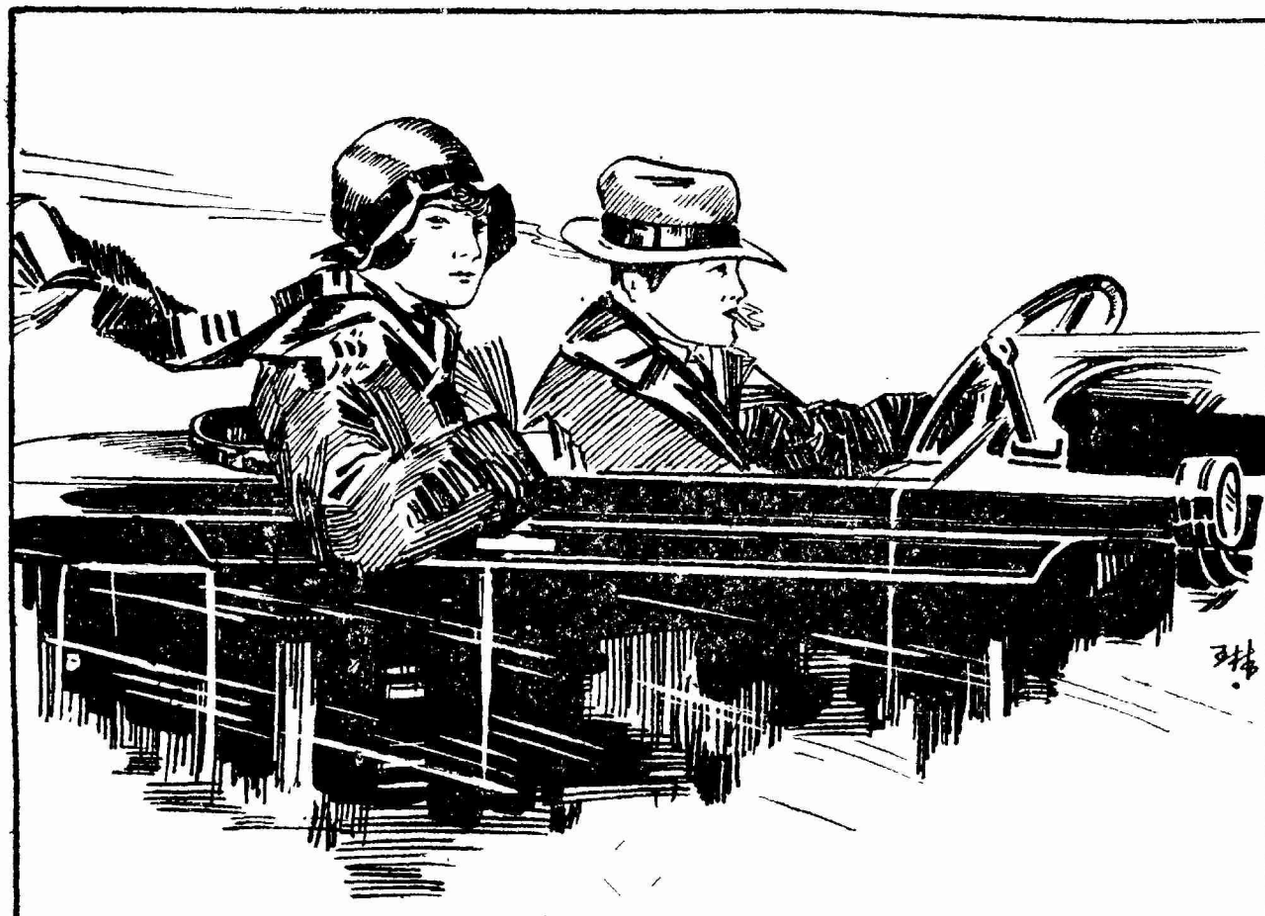
China After the Revolution

The Chinese Revolution, which is really one of the marvels of the 20th century, is now over. The country is now being united. The present struggle between the Central Government or Chiang's party and the Wuhan or Kwangsi Party—should it break out—should be viewed differently from an ordinary civil war, because it is really a struggle between "centralization and decentralization of authorities". In past years, though China adopted a republican form of government, it was in fact a confederation, for each tuchun was a master of his own province. It was frequently heard that the provincial authorities entered into direct diplomatic negotiations with the foreign countries. The order of the central government was merely a piece of paper outside the city of Peking (now Peiping).

But now it is quite different! The National Government, under President Chiang's administration, would try to enforce all orders and laws of the Central Government throughout the whole of China. The root of the present trouble lies in the fact that the central authorities of Nanking tried to disband the surplus troops and organized them in a centralized and unified force subject to the orders of the central authorities. But the local generals are very unwilling to do so, obviously for the reason that they are still afraid of intrigue and are suspicious of other generals who might take advantage of the fact that their troops had been disbanded to take some aggressive action, against them. But despite this the Central Government insisted that all orders and laws must be fully enforced in all provinces. That probably brings about the present crisis. It is not necessary here to describe the present situation, as it has been fully told by all papers, but it must be said that it is the purpose of the Wuhan or Kwangsi Party to first occupy Hunan so as to enable them to join with Canton in their encounter with the central authorities.

Chiang's Action Justified

If the Central Government had not been strong enough, the Hunan Affair could have been settled already probably by means of a "compromise", which has always been the method of settling political disputes among the Chinese politicians since the first Revolution. But President Chiang instead of pursuing the old way adopted a rather "drastic action," as is clearly manifested in his declaration on the occurrence on the Hunan Affair. He said that the Hunan Affair represents typically the disobedience of the local military leaders to the orders of the Central Government. Should such be permitted, hereafter



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any military leaders might open a war with any other against whom they had some ill-feeling. Then the order of the Central Government would be only a piece of waste paper, and the different military leaders would again occupy territories and would again divide up China, and the hope for China's unification would be extinguished. President Chiang went on to say that according to the decision of the Central Executive Committee, the Branch Political Council could not in the name of the Council appoint or dismiss any official of the provincial government, for the purpose of achieving political unity, and according to the decision of the Committee on the Disbandment of surplus troops, all troops must wait for inspection, and no troop is permitted to move about freely without express order from the Committee for the purpose of achieving the military unity. But, as President Chiang pointed out, the chairman of the provincial government of Hunan was ousted by the Branch Political Council in Wuhan, and further the fact that Wuhan troops are advancing rapidly into Hunan despite the central order for supension of military movement, is a gross violation of the decisions and total disobedience to the orders of the central government. President Chiang further pointed out that if the Wuhan authorities could attack their neighbors today, they might well attack the central authorities tomorrow. The Central Government, for self-defence, had to take all necessary steps, but such action must not be interpretated as a military movement. Lastly, President Chiang said that in settling the Hunan Affair the Central Government had only one object namely to enforce its laws and orders. It would never, he said, settle the Affair by an exchange of "conditions," nor would the Central Government accept any mediation, for all these are contrary to the dignity of the Central governments which aims for the full completion of the unification of China, strong centralization of authority and strict enforcement of all laws and orders.

President Chiang is probably the first president in China who has had the courage to cope with situation "squarely". It is because of the fact that President Chiang has realized that as China has just passed the revolutionary stage and has just entered into the political tutelage where localism, or sectionalism or provincialism are still very strong in the minds of the Chinese politicians and militarists, the Central Government must be made a "strong centralized one," capable of governing China, not partly or only in some provinces but throughout China as a whole.

A Strong Central Government Needed

One needs not go further to realize that at present, the authorities and administration are by no means "centralized". We hear very often that some provincial authorities levy and collect taxes contrary to the orders of the Ministry of Finance. The Conference on Abolition of Likin was only participated in by representatives of five provinces (Kiangsu, Kiangsi, Anhwei, Chigkiang, and Fukien) because the present National Government had no control over other provinces. Taxes and levies collectible at Hankow have been diverted from their ultimate destination and funds originally designed for the Central Government have never reached the Capital. Various appointees from the Central Government have been deposed and substitutes have been installed by the Wuhan facton, who have never avowedly declared their independence, Under such circumstances, the only way for the Central Government is to fight its way out!

The central government should never cease to use arms to put down at all cost the disobedient and insubordinate generals. The Central Government should stand on its conviction, should enforce all the orders and laws, should face the situation courageously and squarely. The Central Government should have the real power over all provinces and not be a mere "figure head" depending for its existence on the will of some provinces. The central government should interfere with the affairs of the provinces, but the provincial authorities should not be allowed to interfere with the affairs of the Central Government. That is the kind of central government that the Chinese ought to have. We believe that out of the present struggle, such a strong, centralized government will emerge. We hope our President will continue to fight for this, even knowing that he may be characterized as "tyrant, or dictator or despot" just as Washington was so characterized when he tried to adopt the strong centralized government for America. The sole mission of the Chinese revolution might be entirely ruined should our President fail to take such a drastic step.

Expedition Should Be Launched

Up to the time when this article is written (Mar. 26th) there has been no armed clash reported. But the situation as indicated is more than clear that the war is imminent. Several days ago the Canton government had already received a large shiment of ammunition from Germany valued at about $5,000,000. General Li Tsung-jen, a prominent leader of the Kwangsi Party, is now carried to Canton by a Japanese steamer from Shanghai. He would start for Hankow by an airplane. General Huang Shao-hsiung, another Kwangsi

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man, is also reported to have sailed for Hankow to assume the post as "generalissimo". General Huang told the reporters that a telegram was addressed to President Chiang giving the the latter three days to answer, and should the answer be considered as unsatisfactory, military actions would be taken. To be sure, this telegram is more than an ultimatim!

While the central government, besides moving troops to the border of Kiangsi, took no further action, President Chiang has given a "hand-written" order to the troops which was sent to the strategical places along the border of Kiangsi that all troops are ordered not to open fire without first being ordered to do so by the Central Government, even formally attacked by the other party.

From the above, it is clear that the Central Government has not the least intention to declare war agamst any party, but it is clear that the Wuhan or Kwangsi Party is very anxious to challenge the Central authorities. From the above, it is equally clear that the present situation really demands that the General Government should accept the challenge, for without eliminating all these elements, the Central Government would only be a government of five Provinces, and not the government of China.

Expedition Appoved by All Chinese

If one reads the Chinese newspapers daily, one will find the consensus of the Chinese opinions is to urge the Central Government to launch an expedition against the Wuhan leaders. Within these few days one can find more than ten telegrams addressed every day by different commercial associations and headquarters of Kuomintangs of different districts to the Central Government in which they point out the "crimes" of the Wuhan leaders.

From the standpoint of military strength, the Central Government, having only the support of "five provinces", may be weaker than the Wuhan or Kiangsi Party, who would be greatly strengthened if they succeed in joining with Canton by occupying Hunan. From the standpoint of public opinion, as stated above, every Chinese is anxious to see an expedition against the Wuhan party. History is full of instances that if a man or a party depends only on military strength, but is opposed by public opinion, he will be defeated in the end.

Feng the Deciding Factor!

On account of the territorial position that he occupies, General Feng's attitude towards the present situation is worth watching. That he resigned some days ago as minister was obviously for the reason that he realized that war was inevitable. But as he, as the minister of war, is unable to stop the fighting, he had no alternative except to resign from the post. But shauld he stand aloof when the Central Government, to which he gives his allegience, is attacked by another party? Or, should he also order a mobilization? But should General Feng obey the order of the Central Government and move downward along the Kin-Han Railway it would be a deadly blow to the Wuhan or Kwangsi "revolt" for they have to face the Nanking forces on one hand, and Feng's force on the other. General Shun Chen in Tientsin told the reporters that General Feng also moved his troops because of the Central order. That is to say that Feng is also on the side by the Central Government!

But it must be said that General Yen is sure to play a significant part in the coming struggle. Tientsin and the "Old Capital" are the places where different elements ready to rise against the Central Government, are hidden. Nanking certainly needs General Yen's forces to protect Nanking in the North! So, in conclusion, we agree with, and support, our President, in his fight for a strong centralized government for China, and at the same time we assure him that the game is on his side, if he knows how to ulitize the forces of Generals Feng and Yen in an appropriate way.

Shanghai Mar. 26th, 1929

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Canadian Pacific Officials Tour Orient; Discuss Pacific and Atlantic Shipping

Three important officials of the Canadian Pacific S. S. Co. arrived in Shanghai last week, on a business tour of the Orient; they are H. B. Beaumont, general passenger agent at Montreal, J. J. Forster, general passenger agent on the Pacific coast, and E. Stone, general passenger agent for the Orient. The purpose of their tour is to conduct a brief survey of the Far East and the prospects it offers as an increasingly important source of business for their company.

A representative of the *Review* interrogated Mr. Beaumont and his confreres as to plans for augmentation of the Canadian Pacific services, it having been rumored for some time that this company was contemplating the erection of a large modern hotel, at either Shanghai or Hongkong, as a link in their now ubiquitous hotel chain in Canada and Europe.

"Other than the building of our ship, the *Empress of Japan*, Mr. Beaumont said, "we have no immediate plans which call for a further extension of our facilities in Pacific ports. Our new ship, which will be of 25,000 tons and capable of maintaining a speed of 21 knots per hour, will be ready for service in June, 1930, at about which time it will be added to the Pacific service, making in all five vessels of our line operating through Shanghai. The *Empress of Canada*, which is now being reconditioned, will be ready next September. This ship, which also is capable of 21 knot speed, will make its trip through the Panama Canal and thence to Vancouver, where it will replace the *Empress of France*, now temporarily operating on the Canada-Orient service."

Mr. Beaumont made some interesting comments on the competitive ship-building program being carried out on the Atlantic coast between major British, German and American steamship companies:

"Although handicapped by lack of a chief ocean port on our east coast, it being necessary for us to embark from St. Johns, Newfoundland, during the winter months, nevertheless the Canadian Pacific, with its 14 ships plying the Atlantic, ranks high in the list of passenger-carrying companies. Only the Cunard and the White Star lines carry more eastbound traffic and we are fourth in the amount of westbound traffic transported.

"Besides the *Empress of Japan* our company is building another new ship, the *Empress of Britain*, for the Atlantic schedule. It will be a liner of 40,000 tons, capable of 24 knots per hour and of course, will compare favorably with any of the monster ships now communicating between Europe and America.

"Within the last five years the competition between American, Geaman and British companies for leadership in ship-building has been keener than ever before. Severed lines have announced huge building programs and each seems determined to exceed the other by building a ship that will be the world's largest and fastest."

At present there is a long-enduring dispute as to which is the largest liner in the world, both the Americans and British claiming that distinction. The *Majestic*, a White Star ship, exceeds in length the American-owned *Leviathan*, of the United States Lines, the former being 915 feet long as against the latter's 907 feet. But the *Leviathan* has tonnage of 59,957 which if the two vessels are compared on a tonnage basis, ranks it above the *Majestic*, of only 56,551 tons.

Both these vessels are to be superseded by the new liners projected by American and German companies, according to late reports. The *Bremen* now under construction in Germany is said to be larger both in length and tonnage, and there are announcements that even greater vessels are to be built in the United States.

After discussing these programs Mr. Beaumont pointed out that even if they are followed out the Canadian Pacific Line still will offer a service comparable both in speed and comfort with any of its competitors. "Our route is 270 miles shorter than via New York, and with our new 24 knot vessel we can make the Atlantic trip in 5 days, or possibly even less."

Mr. Beaumont declared that the ship-building activities of the Canadian Pacific S.S. Co. had been among the greatest carried on by any organization since the war. "When our two new ships, the *Empress of Japan* and the *Empress of Britain*, are completed, our capital investment in vessels will be approximately $77,500,000."

From Shanghai Mr. Beaumont, Mr. Forster, and Mr. Stone will proceed to Hongkong next Wednesday, where they will stop off for several weeks, and then continue on their trip, to Manila. They expect to return to Shanghai, on the homeward voyage, sometime in late April or early May.

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	Arr.	Dep.		Arr.	Dep.	
Wed. and/or Sat.	18.35		Peiping		7.00	Mon. and/or Fri.
,,	13.59	14.14	Paotingfu	12.01	12.16	,,
,,	9.33	10.13	Shihkiachwang	16.10	16.50	,,
,,	5.05	5.40	Shuntehfu	20.40	21.11	,,
Tues. and/or Fri.		7.41	Chengchow	8.00		Tues. and/or Sat.
,,	17.11		Chengchow		8.20	,,
,,	14.44	15.15	Kaifeng	10.04	10.34	,,
,,		6.11	Hsuchowfu	22.25		,,
,,	5.41		Hsuchowfu		22.40	,,
Mon. and/or Thurs.	23.29	23.59	Pengpu	4.13	4.43	Wed and/or Sun.
Mon. and/or Thurs.		17.30	Pukow	10.49		,,

PASSENGER FARE TABLE

		Peiping	Paotingfu	Shihkiachwang	Shuntehfu	Chengchow	Kaifeng	Hsuchowfu	Pengpu	Pukow
Paotingfu	1	8.80								
	2	5.70								
	3	4.15								
Shihkiachwang	1	16.20	8.00							
	2	10.50	5.15							
	3	7.65	3.75							
Shuntehfu	1	22.55	14.55	7.15						
	2	14.65	9.40	4.60						
	3	10.75	6.85	3.30						
Chengchow	1	40.05	31.85	24.65	18.10					
	2	26.00	20.65	15.95	11.65					
	3	19.00	15.10	11.65	8.50					
Kaifeng	1	43.80	35.60	27.80	21.25	3.75				
	2	28.40	23.05	18.05	13.75	2.40				
	3	20.20	16.30	12.70	9.55	1.20				
Hsuchowfu	1	58.95	50.15	42.95	36.40	18.90	15.20			
	2	38.20	32.55	27.85	23.55	12.20	9.85			
	3	25.10	21.05	17.60	14.45	6.10	4.95			
Pengpu	1	69.10	60.30	53.10	46.55	29.05	25.35	10.15		
	2	44.57	39.10	34.40	30.10	18.75	16.40	6.55		
	3	28.40	24.35	20.90	17.75	9.40	8.25	——		
Pukow	1	79.25	71.05	63.25	56.70	39.20	36.10	20.90	10.80	
	2	51.45	46.10	41.10	36.80	25.45	23.40	13.55	7.00	
	3	31.75	27.85	24.25	21.10	12.75	11.75	——	——	

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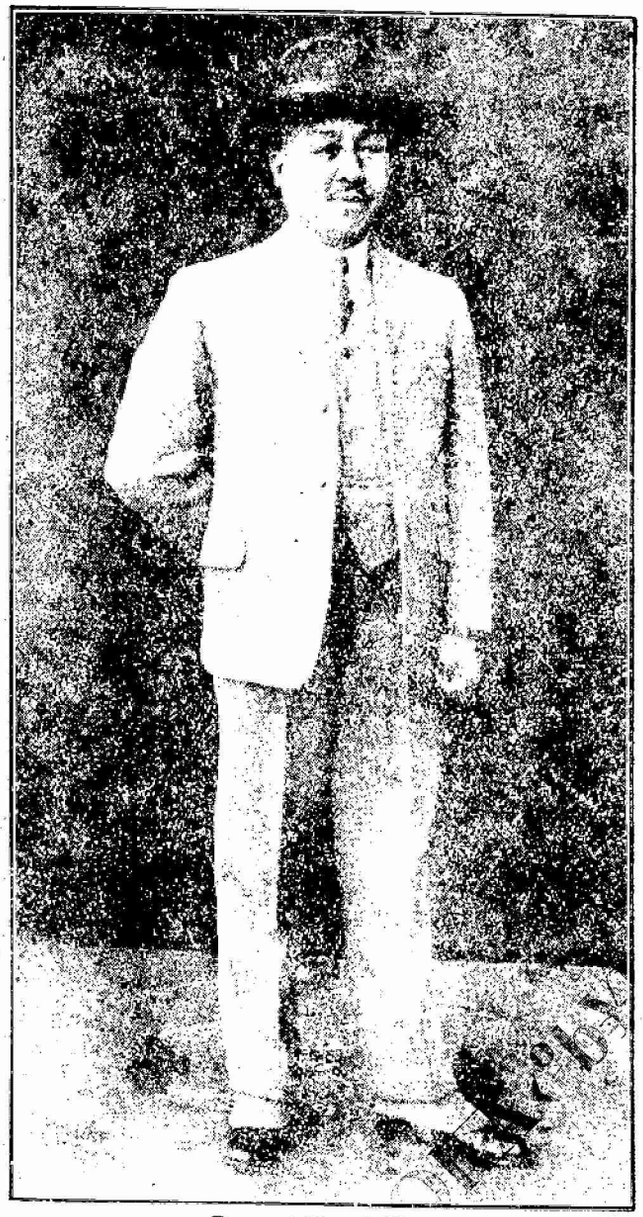
Who's Who in China



General Shang Chen

商震字起予

General Shang Chen is a native of Paoting, Hopei province. After his graduation from Peiyang Military Academy in 1909, he at first became head of a battalion, and later served on the military staff in the 20th army division at Fengtien. Upon the outbreak of the revolution in October, 1911, Gen. Shang and some other comrades fomented opposition against the Manchu government. Their plans, however, went wrong. He escaped from his post to Chefoo where he collected revolutionary troops for service outside of Shanhaikwan and of which he became Commander. When peace was arranged between South and North, he was the first to disband and reorganize his army. In 1912 he was appointed Commander of a Mixed Brigade by the provisional President Yuan Shih-kai. But later, on account Yuan's fear of Shang Chen's military forces, General Shang was appointed an advisor to the Ministry of Army and removed from command of the Mixed Brigade. When the second revolution broke out against Yuan Shih-kai, Gen. Shang was arrested on suspicion. But he was soon freed and appointed to the commisariat at the Mienchih district of Honan province. In 1915 he was appointed head of the 1st regiment of the Shensi army and concurrently Commander of the Anti-bandit forces in Northern Shensi. In 1916 he led his forces to Shansi wherehe stayed and successively became commander of the 4th Mixed Regiment, commander of 1st Mixed Brigade, and commander of 1st division, Defense Commander of Southern Shansi and Field-Commander of the Shansi Army. In 1926 he was appointed Tutung, or military Commissioner of Suiyuan Special District. In 1927 when the Shansi army was incorporated into the Nationalist Army, he was appointed Commander of the Left route of the National 3rd Group Army, He led his forces eastward quickly, and occupied Kalgan, Suanhwa and many other important cities. Later in accordance with the military plan of the Shansi army he moved back his forces and held out about eight months against the Fengtien troops. In the general offensive in April 1928, he was appointed Field-Commander of the National 3rd Group Army. His army was the first to enter Paoting and Peiping. In the same year, he was appointed by the National Government as Chairman of the Hopei Provincial Government; member of the Peiping branch of Central Political Council and commander of Anti-bandit forces in Hopei province; also concurrently acting Commander of the Peiping-Tientsin Gendarmerie.

CHIANG KAI-SHEK'S APPEAL FOR NATIONAL SUPPORT

(*Continued from page 184*)

only knows how to administer according to the law of the country; it can accept no mediation. Likewise the local authorities should accept the decisions of the Central Government and have no right to ask for "mediation". If any one thinks that this is a situation calling for mediation, then he would not only lower the Central Government to the level of provincial authorities, degrade the manhood of revolutionaries and destroy the unification of the country; he would be considering the present Government of the Kuomintang in the same light as the masquerade government of the former militarists. No, the Central Government has no terms to offer, and it knows no mediation.

As for myself, I shall seek to carry out the policies of the Central Government, and firmly believe that they can be successfully carried out. Calumnies notwithstanding, my life and person are at the disposal of the State and could be sacrificed at any time; but the laws of the land and the principles of the Party should not be imperilled in the slightest. In the conflict of principles, success or failure means nothing, what matter is that one should be on the right side. Rather than to carry on the mockery of Government and subsist on humiliating compromises that lead to nowhere, let us if needs be give our lives to maintain our principles. Therefore, I hold that when local authorities have transgressed, the Central Government should act promptly to rectify their mistakes. I think the country has the faith in me that in carrying out our duties I am not seeking personal aggrandisement.

IV.

There are people who criticise the Central Government as being run by a few individuals. That was once the cry of the Communists, and now to hear members of our own Party repeat this catchword is most painful. The Government is formed by the Party; the executives are likewise appointed by the Party; and the decisions of the Government are made in council There is no room or possibility for a one-man government.

Rather the weakest spot in our people lies in being averse to take responsibility, and at the same time critical of those who are earnestly shouldering the burdens. To myself and my colleagues personally it will be a genuine pleasure to be relieved of our burdens, but none should shirk the duties of our revolutionary cause. Further, if one man was running the Government why was it that leaders came together in the Capital to discuss the national problems, and then left for their homes? The Central Executive Committee, representing the Party, repeatedly assembled in Nanking the military and political leaders of the country to help carry on the Government, but many neglected their duties, and yet would criticise others as monopolizing the control of the Government. I am today carrying on my office under the orders of the Party, neither wishing to monopolize the powers of government nor scheming to keep my post, and on that my conscience is clear. But I would indeed be betraying our late Leader, and the people and the soldiers who have given their blood and treasure for the Revolution, should I neglect my duties so that by shuffling and scheming I could hold on to my post a little longer.

V.

We must not allow ourselves to be blinded by a few honeyed words. There are military leaders who are telegraphing their allegiance to the Government and advocating peace when they are planning and carrying on war. In the very act of professing the desire for peace, Yeh Chi and his clique are attacking General Tan Tao-yuan, despite the plain orders of the Central Government to move their troops back to their original positions. With words of peace, and acts of war, they are seeking to delude the people.

The Revolution is today once more in danger. We will do our utmost to maintain the authority of the Central Government, and at the same time avoid by all means possible the use of armed force. But if the recalcitrants continue to disobey the orders of the Government, then the members of the Party and the entire people will not forgive them. But if unhappily such will be the case, then the Government will have to seek the mandate of the Party and the People.

Men and Events

Mr. and Mrs. Charles Dailey of Peiping are expected in Shanghai early next week. Mr. Daily is correspondent for the *Chicago Tribune* in North China.

J. Nissim, a graduate of the Hanbury School and of the Tutorial and Technical Institute of Shanghai departed recently for the United States to enter Yale University.

J. John Mokreis has arrived in Shanghai to become chief accountant with the China General Edison Company. Stewart Winslow, who has been chief accountant, is departing shortly on leave.

A. J. Hughes, general manager of the executive committee of the China United Assurance Society, Ltd., Shanghai and Miss Kathleen Strathearn were married at the British Consulate General, March 20

The death occurred at Lausanne, Switzerland, March 27 of Bishop Charles H. Brent, who served in the Philippines 1901-1918, and was American delegate to the International opium congress in Shanghai in 1909.

H. R. Ekins, *United Press* correspondent assigned to the Far Eastern Division of said press association, departed from San Francisco for Manila March 29. Mr. Ekins will succeed Randall Gould in the Manila office of the *United Press*. Mr. Gould will take over the Shanghai Bureau about June 1.

A recent *Ta Chung* news agency dispatch from Kaifeng stated that under instructions from General Feng Yu-hsiang, a canal, approximately 13 miles in length, will be dug to connect the town of Pohchuan, (where General Feng has been recuperating from his illness), with the Lunghai Railway.

Mrs. E. S. Cunningham, wife of the U. S. Consul General in Shanghai, was the first official passenger carried by the new Curtiss Robin monoplane which the Aviation Exploration Co. has brought to Shanghai. Mrs. Cunninghma made the flight from the Hungjao airdrome, the plane being piloted by Eyre L. Sloniger.

A paragraph in a recent issue of the *New York Times* stated that the Chinese language, literature, civilization and culture have been urged upon American universities as subjects suitable for their general curriculum by the American Council of Learned Societies, which has announced a campaign for the general dissemination of Chinese cultural influence.

Sydney A. Moss, who has been practising law in Shanghai for several years, was the guest of honor at a tiffin given at the American Club during the week by the American Bar Association. Mr. and Mrs. Moss will depart from Shanghai April 6 for Seattle, where Mr. Moss will engage in the practice of law. Mr. Moss is a graduate of the University of Kansas.

Mrs. Isaac Newell, wife of Col. Newell of the Fifteenth U. S. Infantry, stationed at Tientsin, who has been visiting in Shanghai for several days, departed on Thursday, March 28 for the United States where she will visit friends and relatives. Mrs. Newell expects to return to China in September. On her way from Peiping, Mrs. Newell visited for several days in Kaifeng and in Nanking.

P. N. Gray, formerly the general manager of P. N. Gray and Company, of Shanghai, but now president of the J. Henry Shroder Banking Company of New York, is expected in Shanghai shortly for a visit following which he will proceed on a trip around the world. He is accompanied by Mrs. Gray. Mr. Gray was associated with Mr. Hoover and the American relief organizations in Europe during the World War.

Hon. L. C. Dyer, member of Congress from St. Louis, has mailed to friends in Shanghai copies of the souvenir invitations which were issued on the occasion of the inauguration of President Hoover and Vice-President Curtis. The invitations contain the official seal of the United States and embossed autographed photographs of the President and Vice-President. There was also included a copy of the program of ceremonies in Washington on March 4 on the occasion of the inauguration. Congressman Dyer was a member of the committee on arrangements.

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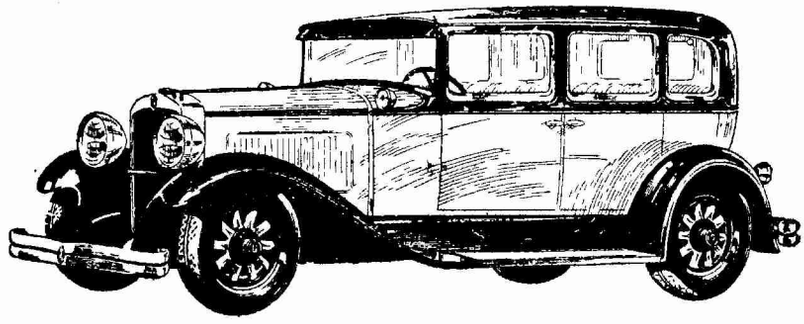

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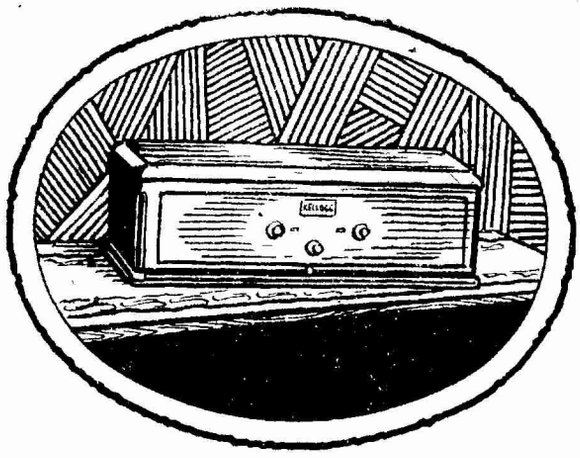

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Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service

Nanking, March 20.—Third Congress warns Wang Ching-wei and expels Chen Kung-po and Kan Nai-huang.

Peiping, March 20.—Gen. Li Peng-hsien affirms his loyalty to Central Government.

Nanking, March 21.—Long statement on Hunan issued by Chiang Kai-shek (see elsewhere this issue of *The Review*,)

Nanking, March 21.—Chiang Kai-shek orders Gen. Li Chi-sen to be kept in custody because of discolosure of alleged connection with Kuangse revolutionaries.

Nanking, March 22.—Gen. Chiang Kai-shek's attitude is plainly that the Hunan issue must be settled by resort to arms.

Nanking, March 22.—General Li Chi-sen is escorted to Tangshan hot springs and his guards are disarmed.

Hankow, March 22.—Wuhan military authorities order merchants to raise $ 4,500,000 in war funds.

Peiping, March 22.—Feng Yu-hsiang and Yen Hsi-shan advise Chiang Kai-shek to try to settle Hunan affair without appeal to arms.

Peiping, March 23.—Wei Tao-feng, Wuhan representative, states that Chang Hsueh-liang will remain neutral as regards Hunan issue.

Nanking, March 23.—Hu Han-min and other prominent Party leaders visit Tangshan hot springs and enquire after Li Chi-sen's health.—Attitude of Feng Yu-hsiang's and Yen Hsi-shan's representatives at Nanking is being closely watched.—National Congress passes resolution to leave settlement of Wuhan affair in hands of Central Government.

Chefoo, March 23.—Tungchow streets placarded with posters "Down with the San-Min Chu I."

Peiping, March 23.—Chen Tiao-yuan's army is being transported from Suanho to Tehchow by rail.

Hongkong, March 24.—Eighth district headquarters decides to take military action against General Chiang Kai-shek unless he promptly replies giving explanation of detention of Li Chi-sen at Nanking.

Peiping, March 25.—Handbills here denounce Chiang Kai-shek and the Three Peoples principles.

Hongkong, March 25.—Li Tsung-jen arrives here from Shanghai en route to Kuangsi.—Gen. Chen Ming-hsu, recuperating in hospital, sends telegram to chairman of Kuangsi province that controversy between Wuhan and Nanking ought to be settled by peaceful means.

Nanking, March 25.—Chia Tou-yin's troops attack Kuangsi troops at Yingshan. Chu Pei-te's troops attack Kiangsi forces at Wantsai.

Nanking, March 26.—President Chiang Kai-shek presides at conference which dismisses General Li Tsung-jen, Pei Tsung-hsi and Hu Chung-to, and issues subjugation order against Wuhan troops.

Peiping, March 26.—Feng Yu-hsiang in telegram to Chiang Kai-shek expresses hopes that latter will not go to extremes in his attempts to settle the Wuhan affair.

Tokyo, March 25.—Government spokesman states that Tsinan issue was completely solved March 24 at conference between Mr. Yoshizawa and Dr. C. T. Wang.

Nanking to Take Up Negotiations With Britain on Burma Boundary

A recent *Ta Chung* news agency dispatch from Nanking states that the Yunnan-Burma boundary question will soon be taken up with the British Government by Dr. C. T. Wang, Minister of Foreign Affairs.

Chang Wei-han, Yunnan representative, is quoted as saying that the Sino-British boundary question has been a complicated affair for decades, and ever since the dismemberment of Burma by Great Britian Chinese territory along the Yunnan border has been subject to constant encroachment, but with the unification of the country under the National Government, the Chinese are now in a position to claim what legitimately belongs to them and regain their lost territories.

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuomintchun) and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, March 20.—State Council issues mandate to Gen. Yeh Chi to immediately cease military activities in Hunan and return forces to original positions.—Admiral Su Tsung-liu formulates reform measures for Navy.—Gen. Li Ping-hsien announces his succession to post in Fourth Group Army in North formerly held by Pei Tsung-hsi.—Tai Chi-tao formally assumes office at Nanking.—Ministry of Foreign Affairs decides to issue no passports to opium addicts who desire to go abroad.—C.E.C. submits comprehensive national educational plan to Third National Congress—President Chiang Kai-shek sends telegram to Gen. Hu Ching-tuh and Generals Hsia Wei and Tao Chun in Wu Han area to strictly obey the orders of the Central Government.

Thursday, March 21.—Report on proceedings of Third National Congress March 20 is issued at Nanking, 234 delegates, 7 members of the C. E. C. and Supervisory Committee and 23 non-voting members being in attendance; Secretariat reports that according to report of Committee on Examination of Credentials of Delegates, Chang Wei-han, delegate from Yunnan, is suspended due to incomplete registration, but he is still allowed to attend. Among resolutions passed are measures for punishment of Wang Ching-wei and others, incidentally Chen Kung-po and Kan Nai-kwang are to be permanently dismissed from party membership, Ku Meng-yu to be suspended for three years and Wang Ching-wei be explicitly warned by an official communication in the name of the Congress.

Friday, March 22.—Chinese authorities refuse motor cars entrance to Shanghai North station yards unless they have Chinese license.—Gen. Chiang Peh-chun of Chekiang sends petition to Government to launch expedition against Gen. Pei Tsung-hsi and Hu Tsung-tuh in Hankow.—National Highway Planning Committee extend scheme for inter-provincial highway extension.—National Arts Exhibition to open in Shanghai March 22.—National Military Reorganization Committee with President Chiang Kai-shek in chair is held at Nanking to discuss Hunan situation.—Third National Congress at Nanking continues session.

Saturday, March 23.—State Council, hoping to settle Hunan trouble by peaceful means, orders troops on Anhwei-Hupeh border not to advance into Hunan without instructions from Central authorities.—General Huang returns to Wuchow on hydroplane "Chukiang."—Chang Hsueh-liang summson meeting at Mukden to discuss general administrative program.—Postal ban against *North China Star* is cancelled.—General Feng Yu-hsiang categorically denies Japanese report that he had removed a regiment into Honan with a view to assisting the Wu-Han forces.—Cuban Legation announces that it will remove from Peiping to Nanking.—Famine Relief Committee decides to petition National government to assess 2½ per cent Customs tax for famine relief.—Proposals Examination Committee of Third National Congress urges that any official who had taken a post under the defunct Peking government after joining the Kuomintang party be debarred from recommendation by President as candidates.

Sunday and Monday, March 24 and 25.—Shanghai Bureau of Public Safety prohibits strikes, parades and mass meetings without the Bureau's sanction.—Ministry of Finance orders foodstuffs and medicines intended for famine relief to be passed free of transit levies.—Japanese marines rush Hankow Chinese city in an endeavor to arrest strike committee directors.—Peiping educational circles jubilant that $600,000 of the Russian boxer indemnity is alloted to government eductional institutions in Peiping.—Chinese delegates from Canada ask Dr. C. T. Wang, to make new treaty with Canada which will ameliorate status of Chinese there.—Circular letter by Third National Congress requests March 29 as memorial day for 72 martyrs at Sunflower Hill at Canton who were the forerunners of the 1911 Revolution —Campaign against remnant Communist forces under Chu Teh is being launched from Amoy.—Large coal deposit in northeastern Kirin is discovered.—C. E. C. issues instructions to authorities of Jehol and other border provinces to be on the lookout for attempts to create Communist disturbances.—Gen. Chen Ming-hsu from hospital at Hongkong sends telegram to Kwangsi chairman and Kwangtung General Teng urging solution of political troubles by peaceful means.

(Continued on page 211)

BACK ISSUES WANTED

Owing to requests which have been received from subscribers desiring a complete file of The China Weekly Review for binding and filing purposes, The Review will pay 50 cents each (big money) for each of the following issues. Five copies of each of the following numbers are desired:

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May	9	1925	„	32	„	10
May	30	1925	„	32	„	13
June	20	1925	„	33	„	3
September	12	1925	„	34	„	2
September	26	1925	„	34	„	4
June	30	1926	„	35	„	8
February	13	1926	„	35	„	11
August	28	1926	„	37	„	11
September	25	1926	„	38	„	4
October	16	1926	„	38	„	7
November	6	1926	„	38	„	10
December	11	1926	„	39	„	2
February	19	1927	„	39	„	12
February	26	1927	„	39	„	13
April	2	1927	„	40	„	5
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New Books of Interest in the Far East

Something About the Fifth Sense

Elegant Infidelities of Madame Li Pei Fou, by Charles Pettit. Published by Horace Liveright, New York. 192 pages. U. S. $2.50.

Frequently a deep lassitude steals over us when we encounter one of the unending procession of Western books on what's wrong or right or ugly or beautiful with Chinese politics, psychology, rural life, art, poetry, theology or methods of growing peanuts in Shantung. Our Occidental schoolmasters can be terribly wearying. Often one wishes they would all pick up their encyclopedias and thesauruses and toddle away to South Africa or some warmer spot and let China rest from their ceaseless criticisms. Then along comes somebody like Charles Pettit, with such a welcome freshet of charming sophistication and gay humor that one's faith in Western writers on China is once more restored.

People who read the *Son of the Grand Eunwch* will need no one to urge them to invest in a copy of the alluring adulteries of Madame Li Pei Fou. It is as subtly and cleverly told as the former story, and presents an entertaining angle of China up-todate: reactions of a modern Chinese wife who finds life hopelessly dull when pressed against the conventional marital back-ground of the East.

Madame Li Pei Fou is married to an undoubtedly great and authentic scholar, one brewed in the old recipes. Her husband is a gentleman of many convictions, among the firmest being that the place of a wife in one's household is considerably back of one's most remote pearl-and-lacquer screen. In addition to this annoying notion Madame Li Pei Fou finds that he has little appreciation for the divers talents of youthful grace and beauty with which she is so richly endowed. Instead he is wont to while away their moments of connubial incompatibility by continually drawing her attention to the fact that her mentality is considerably removed from that which is to be desired in the intellectual companion of an eminent poet and scholar. Moreover, he sacrifices no opportunity to remind her that she is exceedingly fortunate to be living in the house of man like himself, who is destined to be one with the immortals; that she should welcome chances to make a display of her gratefulness. Among the latter he particulary emphasizes the importance of her mortifying herself before the tombs of his ancestors, praising his poetry, and being ever-ready with the four treasures of calligraphy when the Muse courts him. All of which bores Madame Li Pei Fou to tears.

Finally she is given freedom from this imprisoning routine of convention, by the fortunate circumstance of her husband attending a convention of scholars and poets, in distant Peking. Whereupon she proceeds to indulge herself to her heart's content in repletion of the desires which so long had smoldered within her. Each several sense she satisfies—taste, scent, hearing, sight—until at last but one remains. Here she faces formidable difficulties. When you think of it, it's not easy for the wife of a prominent Chinese scholar to be wicked. She must be most aggressive, yet most cautious—a combination which requires an ingenious mind. This, Madame Li Pei Fou very happily discovers she possesses. Although she is required by custom to live more secluded than a nun, and to mourn her itinerant husband as though he were dead, she yet manages to deceive the faithful eunuch her husband has left to guard her—another old Chinese custom. Under the very nose of the eunuch, as well as the comelier noses of Li Pei Fou's six listless concubines, the enterprising young mistress conceives and successfully effects a very intriguing little amour with the handsome scullion, Grain of Rice. It is lamentable that such a deceit could not proceed without somebody discovering it. And it is equally regrettable that the old cook was that somebody. His denunciation of Grain of Rice for his unseemly conduct with the wife of the illustrious Li Pei Fou is a gem of eloquence, the peroration of which ought here to be set down as Mr. Pettit has told it:

"What an epoch and what morals! . . . The temple of reason crumbles. . . The most sacred things no longer inspire respect! . . . Not only is China herself delivered over to anarchy and military pillage under the influence of hateful ideas that have been imported from distant and barbarous Occidental lands; but here, in the depths of provinces that appeared immune from such catastrophes, unutterable things come to pass! . . . "

"Exalted by his theme, the cook, who like all good Chinese delighted in rhetoric, continued indefatigably to develop it into the five classical moods of the correct elocution."

But alas, the old gentleman's indignation little impresses Grain of Rice. Even as this gauntlet of scorn is being flung at him, that naive sinner prepares the cup of tea which is to bring eternal silence to the cook's worthy and loquacious lips. The cook passes. And so do others who inadvertently learn of the manner in which Madame Li Pei Fou is discovering the delights of the well springs of passion, and how the "fifth sense" is best satisfied.

But we mustn't give away all the plot. The story is too delicious for the reader to premeditate. The savory, chuckling astuteness of the writing is something that will bear a second or even a third reading, something that should be useful in banishing the melancholy from one of those lonesome grey evenings when life seems an affair all too large and serious.

E. S.

The Initiation of a New Emancipation Movement

The Well of Loneliness: Radcliffe Hall; with Appreciation by Havelock Ellis. Covicily-Friede, Publisher, N. Y.

As Literature, Radclyffe Hall's placidity-ruffling novel, *The Well of Loneliness*, can claim no criticism. To say that a book written to incite reform is a work, not of art, but of agitation, is to repeat a truism; and to praise or condemn a piece of writing as obviously purposeful as *The Well of Loneliness* because of its artistic qualities, would be to overlook the house in examining the bricks of which it is built. Occasional worn phrases slip in to mar Miss Hall's excellent style; two of her leading characters, Mary Llewellyn and Martin Hallam, are ineffectual; incidents occur so unconvincingly fortuitous as to create the impression that they were set down by the author in a desperate attempt to carry on her plot, and melodramatice scene follows melodramatic scene in an unmistakable effort to rouse in the reader an emotional sympathy no different from that stirred by Eliza fleeing over the ice. On the other hand, the heroine of the novel and all of her fellow unfortunates of whom intimate pictures are given are painted in indelible colors. Their passions, their grand emotions, and their psychological reactions are so delicately and feelingly set before the reader that one is forced to realize that it was not lack of talent but zeal for justice that led Radclyffe Hall to desert Literature for emancipation—the emanipation of the invert.

The Well of Loneliness is the history of Stephen Gordon, a masculine woman of brilliant intellect, noble character, keen esthetic sense and respectable tastes. She is carried by the author through a gawky, sensitive childhood to the revelation of her unforgivable differnece from the people among whom she lives and exile from her home to London. There she becomes famous as a novelist. With the coming of the World War, Stephen becomes a member of an ambulance corps and manages to reach the front. Mary Llewellyn, a youthful Welsh girl, unlearned in books and experience, joins the unit. An unselfish and devoted love springs up between the two. After the signing of of the armistice, the couple settle down to live, in the fashion of respectable married people, in Paris. They are forced by the snubs of normal people to frequent the gathering of others who, like Stephen, stand midway between the sexes. Finally, seeing Mary sinking under the unnatural life, Stephen makes the almost superhuman sacrifice of driving her away, through a ruse which rouses the girl's jealousy, to a man who offers marriage.

That it should be possible for publishers to say of *The Well of Loneliness* that it is the first English book, aside from text-books, to deal frankly with any aspect of life well known to exist, force the belief that the honest attitude toward life on which our age prides itself, is somewhat limited by a dishonest cowardice. That people should speak only in guilty whispers of other human beings whom they pass daily on the streets, is not only cruel toward the persecuted, but unhealthful for the whisperers. We still fear the unknown quite as keenly as Columbus' sailors feared the edge of the ocean. What is bravely explored is frequently found not frightful at all. Nature, while marring, does not always vilify. If Radclyffe Hall has inspired even a few people with a desire to know that this is true even in matters of sex, then she can be forgiven for having bowed to a master other than Art.

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Filipino Knocks Out British Corporal with Single Blow

One of the greatest sensations that ever occurred in Shanghai sporting circles had its setting in the Town Hall on the evening of March 23 when a Filipino, named Les Alde, who is also described as the champion of Australia, knocked out Corporal Duncan of the British Forces at a single blow. *Walla Walla*, the U. S. Marine organ, described the incident as follows:

"Of fighting there was not overmuch but of thrills there were enough packed into 10 fatal seconds to last local fight fans a mighty long while. Those seconds were the 10 Referee Jerry Morgan tolled over the prostrate form of Corporal Donald Duncan, pride of the Royal Marines, champion of three British services and Shanghai's idol. Last night Duncan lost that coveted title of "undefeated welterweight champion of Shanghai and China." He lost it when Les Alde, delivering the first and only blow of the bout, toppled him backwards with a righthander into which the Filipino, had packed all his dynamite. There was a gasp, followed by a long silence as Duncan dropped. At least one half of the house did not see what had happened. Duncan crumpled and fell, landing heavily and striking the floor with the back of his head. He lay there for the fraction of a second, then tried to rise. He couldn't do it. Referee Morgan had started counting, a trifle slow. Then, at three, Duncan tried again only to flop again. More efforts and as Morgan tolled seven Duncan had got to his knees and hands. His eyes were glazed, he obviously was badly hurt. He kept trying to get to his feet, but the referee had waved the fatal "10" at least twice before Duncan was up, groggy and staggering. He moved towards Alde, who came forward to shake hands but the referee interfered and Duncan looked at him questioningly, unaware yet that he had suffered defeat. The packed house was in an uproar."

At a later meeting this week, Duncan scored easily against Les Alde on points.

Trotsky Says Cause of Soviets in Russia Is Far from Lost

A recent *United Press* dispatch from Constantinople printed in the Japan *Advertiser* states that Leon Trotsky, interviewed by the press for the first time since his exile from Soviet Russia, declared that, despite factional differences, the Soviet cause was far from being lost and was even victorious. No counter-revolution would be able to restore the old regime, he said. In the meantime, the European capitalistic system would be utterly changed. Trotsky declared that the Anglo-American suspicion that he was the secret agent of Stalin charged with preparing for a revolution in the Near East was most flattering to him, but that it was entirely wrong. He said that his differences with Stalin were over matters of principle and were in no wise due to a conflict of personal ambitions.

A Bill to Increase U. S. Court Salaries in Shanghai

A bill has been introduced in Congress by the Hon. L. C Dyer, congressman from Missouri, which provides increases of salaries for various officers of the United States Court for China and also for the appointment of a temporary judge. It will be remembered that a bill introduced by Mr. Dyer at the last session of Congress increased the salary of the Judge of the U. S. Court here, this being incidental to a general raise of salaries of all territorial judges. Under the proposed bill the district attorney is to receive $6,000, the clerk and marshal each $4,000. The provision for a temporary judge is made so that there shall be some one competent to try cases in the absence of the regular judge.

FROM THE CHINESE PRESS

(*Continued from page 209*)

Tuesday, March 26.—Surveying of the routes of the proposed Kwangtung-Kiangsi and Kiangsi-Fukien railways starts at the Nanchang end.—Chang Chung-chang's troops proceed on Chefoo.—Chang Chih-chung, a delegate at the Third Congress at Nanking, makes a proposal for the prohibition of the forming of small cliques within the party.—Reports received at Nanking that Wu-Han forces are attacking on the Anhwei and Kiangsi borders.—Third National Congress continues its sessions at Nanking.

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Ten Million People in Shantung Doomed to Death

BY S. K. CHUNG

BEING a resident of the Shantung province and an eye witness of the narration contained in this article the writer considers it an unavoidable obligation to bring to the eyes of the civilized world, the actual present condition in the eastern part of Shantung, which is in a 'Reign of Terror' more horrible than that characterized the era following the first Revolution of France, and more shocking than the spectacle described to be in Hades. More than ten million people have fallen victims to disorder and anarchy. One half of the province has been deprived of the protection of the law. The 'special, protection zone' along the Kiaochow-Tsinan Railway which the Japanese declared to assume protection bisects the province into two parts. Due to the fact that the national troops are forbidden to cross over the special zone, the remnant soldiers of the exbandit Tupan have been able to loot with impunity whatever was left after years of unmerciful bleeding. Some of the soldiers disbanded into groups of bandits, others still keep their titles of being soldiers. They scatter here and there, each occupying a piece of territory, being well likened to the feudal chiefs of the Middle Ages. The soldiers are guilty of the most barbarous acts; the bandits have committed the most shocking atrocities. Their non-amenability to law and their precarious future have combined to make them abnormally furious. The troops quarter in the homes of the farmers, a case especially intolerable to the poor peasants who usually have scarcely enough house accommodation for their own families. The farmers thus become enslaved, losing all freedom of movement at the point of the bayonet. What little grain and paltries they may possess are quickly consumed up by the troops who also take away such earrings and hairpins as close searching and extortion may secure to them. In payment for such free hospitality, the hosts are treated cruelly and the hostesses are insulted.

The Fear of the Troops

What aggravates the situation, there is often listless warfare between the chiefs of the different groups and consequently incessant troop-movements. The news of the coming of the troops is more startling to the residents than that of the approaching of the Huns led by Attila was to the ancestors of the Europeans. All farmers especially women fly away to escape the impending cruelty. The troops usually drive a routed crowd of farmers before them as they march along. Large numbers of people die of starvation and of wanton massacre. Children are seen thrown by the roadside, while women drown themselves in ditches and wells as the only alternative to suffering intolerable insult.

In the intervals between the movements of troops and in such outlying places as to be out of the immediate jurisdiction of the troops, the bandits appear taking all they can possibly get. They follow the examples set by their former comrades, yet practising them in an even more horrible manner. They not only live in the homes of the farmers but also capture them all for ransom, alleging that the victims have buried their wealth under the ground. As the poor farmers are unable to comply with the terms dictated the horrible promise of death is usually unmercifully fulfilled. It is said that in certain districts like Ankiu and Tsingchow in the vicinity of the 'special zone' the situation has been the worst. Not a single woman has escaped violation! When the suffering cannot be endured any longer the farmers often rise up and line themselves up in the forlorn hope to fight the bandits and soldiers. There is of course always causes larger casualties on the farmer's side considering the better implements their enemies possess. This gives rise to beast-like revenge. Thousands of people are often killed in a day and hundreds of villages have been reduced to ashes. The whole region on one side of the railway is a boiling kettle in which the inhabitants are crying for immediate assistance.

The Cry for Help

There is every reason to suppose that every person of the civilized world who has a sense of sympathy common to all human beings should consider it his duty either to help them personally or at least to remove the obstacles which lie in the way to their assistance. In this case I cannot but say that the prolonged occupation by Japanese troops of the capital of the Shantung province and the creation of the special protection zone is chiefly responsible for all the incredible calamities which have befallen Shantung.

The Japanese have no objection to let the bandits torture the innocent farmers, in all evidence as a policy to bring pressure to bear on the Chinese government to yield to terms. But it is too cruel a policy to make millions of peasants suffer for a cause in which they are not interested.

The Bandit-tupan has again come back from the headquarters in Dairen with money and ammunition. The situation becomes more strained. The disaster is going to rage in a harsher manner. The darkness is intensified: all hope is gone. Hark! the horrifying shrieks of Terrorism, Despair, and torturing Death.

The National government has only two ways to go, either to yield to whatever terms Baron Tanaka may dictate to it, or to sit watching painfully over the other side of the Railway.

Tsinan, March 23, 1929.

Shanghai Merchants Plead for Peace

A circular telegram pleading for peace at all costs was dispatched last week to Nanking by the General Chamber of Commerce of Shanghai, the Shanghai City Chamber of Commerce, the Chapei Chamber of Commerce, the Chinese Bankers' Association and the Native Bankers' Guild. The telegram was in part as follows: "Judging by various reports which have appeared in the press we have been led to conceive the fear of an impending outbreak of hostilities. In the past the militarists used to fight among themselves for selfish ends, and as they had no principles to guide them, their action was not altogether inexcusable. But today with the whole country united under the white-sun-blue-sky banner and with ideals to which all of our leaders have pledged themselves, it is obvious that should there be any military issue over which opinion is divided or should there arise any political problem of a controversial character, such differences and controversies should be submitted to the highest authorities for adjustment. But if internal dissension is allowed to precipitate an armed conflict, the result will be most disastrous, for, in addition to the new afflictions that will be inflicted on the people who are in such pressing need of rehabilitation, the blow to the international prestige to our country will also be a serious one. Will not such an eventuality call into question your loyalty to the Party and to the Government?"

A German Thrust at British Allegations Regarding Russia

A recent *Transoceanic* telegram from Berlin referred to the fact that certain circles in Great Britain continued to accuse the German press and German commercial circles of having purposely and systematically pursued in Western Europe a policy of propaganda against the Soviet Union in order to discourage British economic interests from doing business with the Soviets so as to monopolize the Soviet market. Such a charge is authoritively denied as, on the contrary, Germany has been aud still is of the opinion that her own interests in Soviet Russia will best be served by a healthy development of Russia's economic life, unhampered by foreign political and economic boycotts. The present attempts to blame Germany for the failure of Great Britain's policy towards the Soviet Union must, therefore, (the telegram continues) be regarded as caused by the desire to find a scapegoat for Great Britain's own mistakes; it was to be remembered that Great Britain was the originator of the cry that it would be immoral to have economic dealings with a Government which did not respect the sanctity of private property, and this in spite of the confiscation and liquidation of German private property by Great Britain herself.

Railway Planning Commission Continues Constructive Work

Despite the disturbed conditions prevailing in various parts of China the Railway Planning Commission calmly goes ahead with its constructive program, and a recent *Ta Chung* news agency dispatch from Nanking states that general rules governing the laying of different lines have been formulated by the Committee. The plan involves the construction of national highways so that they will extend directly to the various railways or the ports in the various provinces. In planning new national highways also it will be the object of the Committee to have them pass through densely populated districts.

Former American Bible Society Accountant Murdered in U. S. A.

Charles W. Hykes, a nephew of the late Dr. J. M. Hykes (for many years agent of the American Bible Society at Shanghai), was found murdered with his skull crushed in Reservoir Park, Harrisburg, Pennsylvania, last month. Mr. Hykes was a native of Shippensburg, Penna. and came to Shanghai in 1899 as an accountant for the American Bible Society; later he was in the employ of the China Mutual Life Insurance Co. He returned to America in 1904. He was a member of a Masonic Lodge in Shanghai. Papers received from Harrisburg during the week state that a sister, Catherine, resides in China.

Third Kuomintang Congress Elects New Central Executive Committee

BY EVA CHANG

"I am very much pleased with the enthusiasm of the delegates and am more impressed with the parliamentary procedure of the Congress," was the impression of the only foreign spectator, Mr. Morris A. Cohen, formerly Adjutant to Dr. Sun Yat-sen, regarding the Third National Kuomintang Congress which has been in session since Mar. 15, and, it is a fact too. From what the writer has heard of former parliamentary meetings, they were none too gentle. Throwing inkwells and even chairs were only too common. But Chinese have learned. The keynote of this Congress as has been repeatedly put forward by such leaders as President Chiang Kai-shek, and Hu Han-min is to sacrifice oneself for the welfare of the Party and country. Every delegate was urged to bury his own prejudices and personal opinion and discuss sincerely and frankly so as to find the best solution to the various problems of the Party and country. Therefore, except for a few heated discussions, the sessions of the Congress have been very orderly.

Since the last number of the *Review* went to press a week ago, much has been accomplished by the Congress. Two sessions were held every day, each sitting more than three hours at a time. Sunday was the only rest day the delegates had; and, then in that morning they made a pilgrimage to Dr. Sun's Mausoleum on foot to pay homage to their late Leader. A memorial service was held on the steps in front of the Mausoleum.

Confidence Vote for Chiang Kai-shek

A unique incident which is intrinsically Chinese happened last Thursday (March 22). It was a vote of confidence given to President Chiang Kai-sek by the Congress. On the morning of March 22, just before the sixth session of the Congress, a proposal for commending President Chiang Kai-shek for his services to the Party and the Govrenment appeared on the wall of the Auditorium. A literal translation of the proposal reads as follows: "Whereas Comrade Chiang Chung-chen has faithfully followed the the teachings and principles of our late Leader, has striven unflinchingly for the Revolutionary cause, has gone through great sufferings in rendering his good service, has been steadfast in his purpose, and has steered the Party clear through the period of purgation thus enabling the Party to maintain a firm foundation and bringing about the completion of the Northern Expedition; therefore, be it resolved that the Third National Congress accord him a vote of commendation and appreciation for his good services." When the Chairman called the meeting to order at 9 o'clock more than two hundred, almost the entire delegation, had signed their names to the proposal. It was again placed on the floor for its adoption in the afternoon. A unanimous vote was given.

According to a decision made by the Congress, China, at present at least, will not adopt a national flower. A proposal was submitted by the Central Executive Committee designating the plum blossom as the national flower. The opinion of the Congress was that the national flower could not be determined by any group of people, even the highest organ of the country. Any flower which has gradually become the favorite among the people will naturally be looked upon as the national flower without being designated as such.

To the list of the many national memorial days of China, another has been added by the Congress, and that is July 9, the date on which the National Revolutionary Army marched out of Canton on its Northern Expedition in 1927.

With regard to the political situation, the Congress voted that what measures the State Council had taken in dealing with the Hunan affairs had been appropriate and that it be given full power to take drastic steps if Yeh Chi and others continued to disobey the orders issued by the Central Authorities.

Revision of Constitution

Some revision of the Kuomintang Constitution has been made by the Congress. An important revision calls for the classification of Party members into two classes—Probational Members and Regular Members. Regular members must be at least twenty years old and probational members at least sixteen. Only those probational members who have received at least one year's training and are found qualified may be admitted as regular members. Another important revision was that the National Congress shall be held once in two years instead of one and that the terms of office of both the Central Executive Committee and the Central Supervisory Committee members shall also be two years. It was thought that if the intervening time between the holding of the the National Congresses and the terms of office of the two Committees were too short, it might affect the stability of the Central political situation. Furthermore, election of delegates to the National Congresses by the Party Headquarters both in the country and abroad takes time and money, and that impedes the progress of the work of the Party. It was also decided that the Standing Committee of the Central Executive Committee shall consist of from five to nine members.

The Congress further decided that the number of the members of the two Central Committees remain as before, 36 regular Central Executive Committee members and 24 reserve members, 12 regular Central Supervisory Committee members and 8 reserve members. The following qualifications were set for the members for the two Committee: (1) a thorough understanding of the Party principles; (2) proper experience in the Party; (3) having rendered good services to the Party and country; and (4) being more than thirty years old.

According to the regulations governing the procedure of election, each delegate was to nominate ten members. Out of the entire list the Presidium was to choose forty-two receiving the largest number of votes. Forty-two other names were to be suggested by the Presidium, thus making a total of 96 names—72 for the Central Exective Committee and 24 for the Central Supervisory Committee. Out of these two nomination lists the delegates were to elect 36 Central Executive members and 12 Central Supervisory members. The 24 persons receiving the next highest votes for the Central Executive Committee were to be its reserve members: while those of the Central Supervisory Committee were to be those eight persons receiving the next highest votes in the election of the Committee.

Central Executive Committee

First round of balloting for the nomination by delegates took place, on the 23rd, and final balloting in the afernoon session yesterday (March 26). As only twenty four nominees for the Central Executive Committee and eleven nominees for Central Supervisory Committee received majority votes, a second ballot was taken this morning. Following were elected on the Central Executive Committee: Chiang Kai-shek Hu Han-min, Tan Yen-kai, Chu Pei-teh, Wang Ching-wei, Madame Sun Yat-sen, T. V. Soong, Wu Chao-chu, Ho Ying-ching, Tai Chi-tao, Yu Yin-jen, Sun Fo, Wu Tieh-cheng, Chu Chia-hua, Chen Kuo-fu, Yeh Chu-chang, Li Wen-fan, Chen Ming-chu, Wang Peh-ling, Ho Chen-ceung, Shao Yuan-chung Feng Yu-hsiang, Yen Hsi-shan, Liu Shih, Chang Chung, Yang Shu-chwang, Fang Cheng-wu, Chao Tai-wen, Chou Chih-kang, Chen Li-fu, Liu Chi-wen, Chen Shao-ying, Liu Lu-ying, Ting Wei-feng, Tseng Yang-fu, and Fang Chu-wei.

Following twenty-four were elected as reserve members: Chen Yao-huan, H. H. Kung, Yu Ching-tang, Lu Ti-ping, Lu Chung-ling, Chen Chi-tang, Ma Chao-chuin, Miao Pei-chen, C. T. Wang, Hsueh Tu-pi, Kwei Chung-chi, Wang Peh-chung, Ke Hing-he, Chang Tao-fan, Chiao Yi-tang, Chao Pei-lien, Chen Tien-fang, Liu Wen-tao, Chang Cheng, Tina Chao-wu, Chen Cheh, Miao Bin, Ching Heng-yi, and Huang shih. Regular members of the Central Supervisory Committee are as follows: Wu Chih-hui, Teng Cheh-ju, Li Shih-tseng, Chang Ching-kiang, Ku Ying-feng, Wang Chung-hui Hsiao Fu-chen, Tsai Yuan-pei, Ling Sen, Shao Li-tse, Chang Chi, and En Ke Pa Tu. Following are the reserve members: Chu Ming-yi, Shang Cheng, Chen Pu-lui, Chen Cha-yn, Li Lieh-chung, Ling Yung-kai, Liu Shou-chung, and Teng Ching-yang.

Immediately after the election, the Manifesto of the Third National Congress was submitted by the Manifesto Drafting Committee. Except for a few minor changes in the wording, it was unanimously adopted by the Congress. In the Manifesto the Third National Congress pledges the Party to fulfil the expectations of the people. It is said that with the completion of the Northern Expedition the Period of Political Tutelage has set in. The convening of the Fifth Plenary Session last August and the calling of the Military Reorganization and Disbandment Conference last January are instances of the steps taken by the Pary in building a foundation for peaceful reconstruction of the country in accordance to the reconstruction plan of the late Leader, Dr. Sun Yat-sen.

Principles and Practice

The Manifesto further declares that work of reconstruction according to the Three People's Principles must not be delayed any more. In the first place, the Party members have already sacrificed too much, mentally physically and materially, as a result of their fight against the militarists.

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They have had no chance to advance in their education or in their technical skill; and, consequently, they could not fulfill their desire in working out the Three People's Principles. In short, the struggles in the past have only served to intensify the political aspirations of the Party members. Their thoughts are not unified. The only way to remedy this situation is to show people the real value of the Three People's Principles by concrete works of reconstruction. It is only then that the thoughts in the Party can be unified.

In the second place, while the militarists have all been brought down, the environments for producing new militarists are still existing. The only weapon for breaking down this environment is concrete reconstruction in accordance with the Three People's Principles. Thirdly, the peoole are demanding an amelioration of their sufferings. They want a peaceful social order. They want the country to be rid of robbers and bandits. They want prosperity in agriculture, industy and commerce. In short, they want a solution to their problems of clothing, food, housing and traveling. Carrying out the concrete reconstruction it work in accordance to the Three People's Principles is again the only way to fulfil their demand. It is also the only way to ameliorate the sufferings of the Party.

The Manifesto concludes by saying that if the Party does not strive to alleviate the sufferings of the people according to the teachings of the late Leader, is cannot fulfill the purpose for which the martyrs of the Party died. If the Party does not carry out the reconstructional work in accordance to the Three People's Principles, it connot hope to prevent the encroachments of the Imperialists. Realizing its heavy responsibility, the Third National Congress has, therefore, carefully and earnestly worked out and decided the political and military policies and plans and also those pertaining to the Party, education, and political tutelage. The Party pledges itself in striving to serve the entire people of the country.

Reorganization of the Army

The Congress also voted for the ratification of the scheme for the army reorganization and disbandment worked out by the National Army Reorganization and Disbandment Committee, to be used as the principle for the reorganization of the army by the State Council. The State Council has been ordered to carry it out. As a result of efforts on the part of the three women delegates, the training of women for community life as well as family life shall be the aim of education for women. The Congress again declared that women shall be given equal opportunities in education as men.

The Congress also gave a vote of appreciation to the Overseas Chinese for the assistance and service they rendered to the late Leader for the Revolutionary cause.

It is learned that more than three hundred proposals were received by the Secretariat of the Congress. They have also received a number of suggestions, petitions and expressions of opinions. Those proposals that have not been brought up during the sessions will be turned over to the newly created Central Executive Committee and be properly dealt with.

Among the delegation there are at least seventeen newspapermen and those who have done journalistic work in the past. They represent the Republican Daily News, the Shih Shih Hsin Pao, the Ching Pao, etc.

The fifteenth and regular session of the Congress was held this afternoon when a great ovation was given President Chiang Kai-shek. President Chiang gave a long speech explaining why the manifesto was issued yesterday against the Kwangsi leaders. He said that the National Government under the Kuomintang could not tolerate disobedience to its mandates. He then cited the case of General Chen Chung-min who revolted against Dr. Sun Yat-sen. People at the beginning had feared that Chen might open fire on the Commander-in-Chief's headquarters, and he did. The case o. the Kwangsi clique is similar to this.

President Chiang concluded by announcing that he was going to the front a short time and that unless he swept all these militarists away he would not return. A resolution to dismiss these military leaders of the Kwangsi clique from the Party for life was introduced by a delegate and unanimously passed. When the meeting was adjourned, the entire delegation again gave cheers to President Chiang and wished him success in the campaign. Closing ceremony of the Third National Congress will be held at 10 o'clock tomorrow morning. (March 28).

A word of appreciation must be mentioned here for kind and valuable assistance rendered to the Press men by the bureau of information for journalists specially established by the Secretariat in charge of S. S. Chow. Mr. Chow was assisted by Messrs. Edward Bing-Shuey Lee and C. Y. Kao, the former taking care of the foreign correspondents and the latter Chinese newspapermen.

Nanking, March 27, 1929

RAILWAY THROUGH TRAFFIC DEVELOPMENT

(*Continued from page 186*)

Belgium, France, Austria, Czecho-Slovakia and Italy as soon as feasible.

In 1918 an attempt was made to open up relations with America and in April of that very year a conference with this end in view was held in Tokio. Arrangements for through passenger traffic were worked out between representatives from the Chinese and Japanese railways and the steamship companies operating on the Pacific.

Unfortunately the post-war shipping situation did not warrant the carrying out of the arrangements made in the conference of 1918 and until it was taken up again at the Fourteenth China-Japan Through Traffic Conference held in Tokio in May of 1926 which made a draft scheme signed by the Chinese Minister of Communications and the Japanese Minister of Railways with an invitation extended to all the interested carriers to a conference which has not yet convened,

Through goods traffic has up to the present been confined to the Chinese Government Railways south of Mukden. In order to do something to meet this need a conference was held between the Chinese Government and the South Manchuria Railways at Mukden in October of 1926 at which an agreement and regulations concerning conditions of carriage were worked out for through goods traffic between our railways and South Manchuria Railway to be known as the Chinese Government Railways-South Manchuria Railways Through Goods Traffic. A subsequent conference was held in Peiping in May of 1927 and it completed the work of drawing up a Joint Classification of Goods and Rates Tables for the traffic. Now it waits for its opportunity to operate.

In 1919 approximately 8355 kilometers of railways were open to through passenger traffic against 12,184 kilometers in 1926 thus showing an increase of 3,829 kilometers, With the exception of 1,038 kilometers in Chosen and 1,745 kilometers in Japan all the kilometrage open to traffic and through traffic is situated within the borders of China. There was no through goods traffic in operation in 1919 but in 1926 6,019 kilometers all situated within the borders of China, have been opened to through goods traffic.

Revenues Versus Expenditures

The total through traffic revenue of the Chinese Government Railways in 1919, an aggregate figure of revenue collected from the domestic through passenger traffic, the domestic through goods traffic, the North China through passenger traffic, Chinese Government Railways and Chinese Eastern Railway Through passenger traffic and the China-Japan through passenger traffic, was $2,637,694.56 and in 1923 this increased to $13,085,043.70. On account of civil wars in China it has fallen to only $1,061,446.99 in 1926. It is fair and safe to conclude that with continual increase in through traffic facilities and without interruptions the through traffic revenue for 1926 would have been over twenty million dollars. The cost to the railways of the Railway Through Traffic Administration was 1.97 per cent of the revenue which they earned from the through traffic during 1919. This percentage had been reduced to 88 per cent in 1923. If the through traffic had been free to develop itself normally further reductions in cost could have been attained in the succeeding years. This percentage cost compares most favorably with the cost of similar organizations in other countries which in some cases is as high as five per cent of the revenue.

Since the establishment of the Railway Through Traffic Administration the through traffics in China have been making rapid and steady progress in mileage, in service and in profitableness in view of which the Ministry of Railways has been making aggressive plans for the restoration of the existing through traffic routes, for carrying out as soon as feasible the arrangements already made at different through traffic conferences for the extension of the through passenger and goods traffic, for the continuance and furtherance of the international through traffic once upon a time operated between Chinese Government Railways and the railways of other countries, and for revising the through time tables, and through passenger, parcels and goods rates and last of all for the opening up of new through traffic routes.

Nanking, March 21, 1929.

Chinese Women's Club to Give Tea Dance at Majestic Hotel

The Shanghai Women's Club, an organization of Chinese Women, will give their annual tea-dance on Monday, April 1 at 5 o'clock at the Majestic Hotel. The proceeds of the dance will go mainly to support the two free schools which the Club has maintained. Besides the attraction of Whitey Smith's Orchestra for dancing, much local talent has been assembled to make the program one of variety and interest. The program includes a clog dance by Walter Kwok, piano solo by Baroness Schafenburg and a Chinese dance by Miss Tsiang. Tickets are on sale at the Majestic Hotel.

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Name of Security	Coupon Rate %	Date of Maturity		Sale Price Mar. 28	Approx. Yield to Maturity %
The National City Bank of New York		New Stock		400	——
Argentine Government	6	Oct. 1,	1960	98¾	6.09
Australia	4½	May 1,	1956	87	5.42
U. S. of Brazil	6½	Oct. 15,	1957	92½	7.12
Kingdom of Belgium	7	Nov. 1,	1956	105	6.60
City of Budapest	6	June 1,	1952	80	7.67
Canadian Pacific Railway	4	Perpetual Stk.		84¼	4.75
Chgo., Milw., St. Paul & Pacific Rwy.	5	Jan. 1,	2000	76¼	6.58
ChicagoRapidTransit Co.	6	July 1,	1953	90	6.85
Chile Copper Co. Debs.	5	Jan. 1,	1947	96	5.35
Chile Government (Railway)	6	Feb. 1,	1961	92½	6.56
Cuba Northern Railway	5½	June 1,	1942	84	7.44
Republic of Costa Rica	7½	Sep. 1,	1949	101	7.40
Chile Government	6	Sep. 1,	1961	92½	6.56
Cuban Dominican Sugar Co.	7½	Nov. 1,	1944	91½	8.51
Kingdom of Denmark	6	Jan. 1,	1942	103⅞	5.68
Dutch East Dadies	5½	Nov. 1,	1953	102½	5.31
Republic of Finland	5½	Feb. 1,	1958	87	6.50
French Government	7	Dec. 1,	1949	106¼	6.46
German Government	7	Oct. 15,	1949	105¾	6.50
German Central Bank for Agriculture	6	Oct. 15,	1960	86	7.12
German Central Bank for Agriculture	6	Apr. 15,	1938	89½	7.63
German General Electric Co.	6	May 1,	1948	89½	7.01
Greek Government	6	Feb. 1,	1968	84½	7.19
Ilseder Steel Corporation	6	Aug. 1,	1948	83¾	7.61
Kingdom of Italy	7	Dec. 1,	1951	95½	7.42
Japanese Government	6½	Feb. 1,	1954	101	6.42
State of Minas Geraes (Brazil)	6½	Mar. 1,	1958	93	7.07
Mortgage Bank of Chile	6	Apr. 30,	1961	91	6.68
Norwegian Hydro-Elec.-Nitro. Corp.	5½	Nov. 1,	1957	90	6 26
Kingdom of Norway	6	Oct. 15,	1952	100¼	5.98
Northern Ohio Power & Light Co.	6½	Jan. 1,	1941	99	6.62
Republic of Peru	6	Dec. 1,	1960	86¼	7.09
Paris, Lyons & Med. Rwy.	6	Aug. 15,	1958	98½	6.11
Republic of Panama	5	May 15,	1963	93	5.46
State of Rio Grande Do Sul (Brazil)	6	June 1,	1968	86⅞	6.98
Rhine Westphalia Elec. Power Corp.	6	Aug. 1,	1953	93	6.58
Saxon State Mortgage Inst	6½	Dec. 1,	1946	94½	7.04
Saxon Public Works, Inc.	6½	May 1,	1951	93	7.14
Tokyo Electric Light Co.	6	Jun. 15,	1953	89¾	6.88
United Kingdom of Gr. Britain	5½	Feb. 1,	1937	104	4.89
City of Vienna	6	Nov. 1,	1952	86¾	7.17
Abitibi Power&PaperCo.	6	Cum. Pfd. Stock.		83	7.23
BelgianNat'l.Rwy.Pcptg. Pfd. Stock	6	(American Shrs)		83	7.23
Cannon Mills Co. (Dividend $2.80 p. a.)		Common Stock		41	——
General Mills, Inc.	6	Cum. Pfd. Stock.		96	6.25
General Mills, Inc. (Div. $3.00 per annum.)		Common Stock		74½	——
Hershey Chocolate Corp. Convertible	4	Pfd. Stock		82	4.88
Mohawk Carpet Mills, Inc. (Div. $2.50 p.a.)		Common Stock		67	——
Pennsylvania-Dixie Cement Corp	7	Cum. Pfd. Stock.		89	7.86
Willys Overland Co.	7	Cum. Pfd. Stock		99½	7.04
General Motors Corp. (New)		Common Stock		81½	——
Andes Coper Mining Co.		Common Stock		56⅞	——
United States Steel Corp.		Common Stock		178	——
Standard Oil Co. of New Jersey		Common Stock		53⅜	——
Standard Oil Co. of New York		Common Stock		42⅓	——
Pennsylvania Railroad Company		Common Stock		73½	——
United Aircraft & Transport Corp. (p. v. $50)	6	Pfd. Stock		69	4.35
United Aircraft & Transport Corp.		Common Stock		77	——

NOTE: The above quotations are received by Cable, and whilst believed to be correct, are not guaranteed.

Shanghai Exchange for Week Ending Wednesday, 27th March 1929,

Exchange:—The price of Bar Silver in London has risen from 25⅞d. per oz for spot and 25 15/16d. for two months delivery, to 26 1/16d. and 26⅛d. respectively, since the date of our last issue. The latest advices from London report the silver market there to be quiet and steady. The official T/T rate on London stands at 2/6½d., the same rate as on this day a week ago.

The obscureness of the political situation is having a most adverse effect on trade, and the conditions brought about by this unfortunate state of affairs are naturally reflected in our exchange market—both importers and exporters showing little inclination to operate. The undertone of the market continues to be very steady, and until the situation becomes less obscure any substantial fall in rates appears to be unlikely, in spite of the heavy stocks of silver now held in Shanghai.

The position of the native speculators is reported to be about Yens 17,000,000, over-sold, and the equivalent of £200,000, over-bought.

At the close of the market to-day the following rates were available for telegraphic transfers, on London 2/6 1/16d. for near and 2/6 5/16d. June, on New York 62 1/16 for near and 62⅝ for June, Yens 71⅜ for near and 72⅛ for June.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls. 74 694,000 a decrease of Tls. 6,808,000
Chinese and Mexican Dollars..... 118,730,000 an increase of $2,500,000
Estimated value Tls. 160,179,000 as against Tls. 115,000,000 held at this time last year.

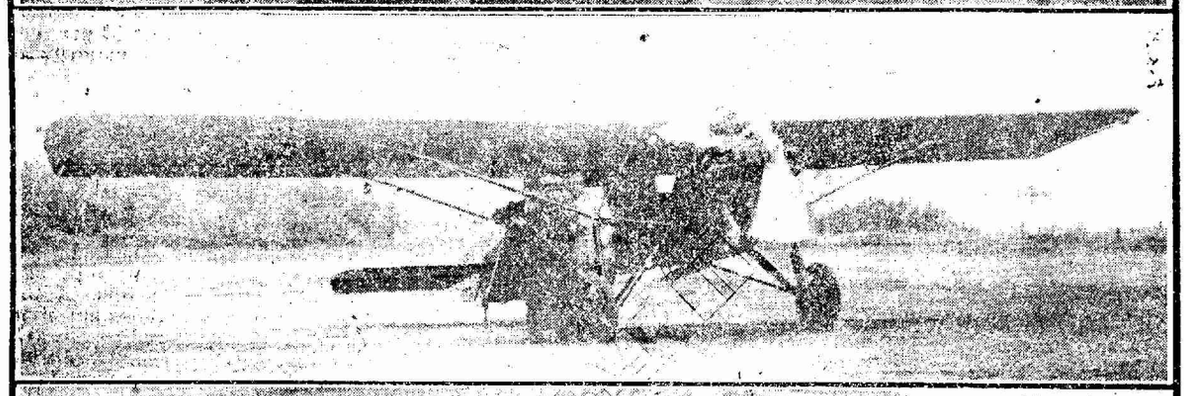
	Average rates for Feb.	Thursday Mar. 21	Friday Mar. 22	Saturday Mar. 23	Monday Mar. 25	Tuesday Mar. 26	Wed., Mar. 27
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T London	2/6 487	2/6½	2/6½	2/6¾	2/6½	2/6½	2/6½
D/Dfts ,,	—	2/6 9/16	2/6 9/16	2/6 13/16	2/6 9/16	2/6 9/16	2/6 9/16
4 m/s ,,	—	2/6¾	2/6¾	2/7	2/6¾	2/6¾	2 6¾
T/T India	168.950	169¼	169¼	170½	169½	169½	169½
T/T France	1.577.500	1580	1580	1590	1580	1580	1580
T/T N. Y	61.681	61¾	61¾	62⅛	61¾	61¾	61¾
T/T On N.Y Demand		61⅞	61⅞	62¼	61⅞	61⅞	61⅞
T/T Hamburg R. M.		260	260	260	260	260	260
T/T H'kong	78.962	78⅞	78⅞	78⅞	78⅞	78⅞	79
T/T Japan	73.406	72⅛	72	71¾	72½	72⅝	72¼
T/T Batavia	153.837	154	154	155	154	154	154
T/T Straits Bk's buying rates	91.500	91½	91½	90¾	91½	91½	91½
4 m/s B/L. Cred. D/A	2/8.487	2/8½	2/8½	2/8¼	2/8½	2/8½	2/8½
4 m/s ,, D/P	—	2/8 5/16	2/8 5/16	2/8 7/16	2/8 5/16	2/8 5/16	2/8 5/16
6 m/s ,, B/L Cred D/A	2/8 800	2/8 1/16	2/8 1/16	2/9 1/16	2/8 3/16	2/8 3/16	2/8 3/16
4 m/s B/F Cred D/A or D/P	1,647.500	1650	1650	1660	1650	1650	1650
4 m/s N.Y.Ltrs	64.931	65	65	65⅜	65	65	65
4 m/s ,, Doc	—	65½	65½	65⅞	65½	65½	65½

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Mar. 21	Mar. 22	Mar. 23	Mar. 25	Mar. 26	Mar. 27
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	25 15/16	26 1/16	26⅛	26⅛	26	26 1/16
**New York Price of Bar Silver per oz. (Pure)	G.$ 56½	G.$ 56⅝	G.$ 56⅝	G.$ 56½	G.$ 56¼	G.$ 56⅜
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 350.50	Tls. 350.00	Tls. 352.10	Tls. 354.10	Tls. 353.10	Tls. 352.70
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.90	110.9	110.90	110.9	110.90
Shanghai Mexican Dollars per $100	71.8875	71.8875	71.9	71.9375	71.9625	71.9
Native Bank Rate of Interest (Call money)	1%	1%	1%	1%	1%	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 124.18
Bank of France rate of discount	3½%	New York on London	T/T 485 3/16
London open Market of Dis. 3 m/s	5 7/16%	Bombay on London	T/T 1/5 31/32
,, 4 ,,	5 7/16%	Hongkong on London	T/T 1/11 3/32
,, 6 ,,	5 7/16%	Kobe on London	T/T 1/9 31/32

CURTISS ROBIN GIVES THRILLING PERFORMANCE

Consul-General E. S. Cunningham, Mrs. Cunningham and Major Robertson, standing beside the Curtiss Robin airplane just after Mrs. Cunningham had been taken for a brief hop.



Front view of the Curtiss Robin.

Some of the crowd of Americans who witnessed the initial flight of the first American commercial planes to fly from Hungjao.

—*Courtesy Shanghai Times*

Shanghailanders were enthusiastic in their appraisals of the test flights made by Curtiss aviators at Hungjao Field on Wednesday afternoon of this week, when a number of prominent Americans, and some foreign and Chinese journalsits were taken for brief trips in the newly assembled "Curtiss Robin" airplane brought here recently by Major Robertson and his associates.

At about two thirty o'clock the motor was warmed up and a few minutes later the first passengers, two Chinese reporters, took the air, with E. L. Sloniger at the controls. Gracefully the ship slipped away from the earth; the take-off was made after a run of about fifty yards. On landing, the pilot made a perfect three-point contact; the ship skimmed along for a short distance and came to a quick stop in front of the hangars.

The first performance was typical of the score or more flights of the Robin; each was executed with such skill and apparent ease that merely watching the take-offs and landings was sufficient to convince one of this machine's superb perfection.

Consul General E. S. Cunningham and Mrs. Cunnigham were among the first to arrive at the field, and the latter immediately went up for a short flight, with Major Robertson piloting. Upon descending, Mrs. Cunnigham declared that "It was thrilling."

Although Mr. Cunningham did not go up, consul J. C. Huston took a short flight and was enthusiastic regarding the excellent qualities of the plane. Other Americans who were given demonstration hops included Mr. N. F. Xavier, of the Texas Company, Mrs. N. F. Xavier, Mr. H. Francis Misslewitz,

George Tucker, and Granville O. Woodward, Assistant American Commercial Attache. Several Chinese naval officers, Mrs. Sun Fo, Mr. Yu Lu-tang and sisters and a number of other Chinese and Britishers who had come out to watch the tests, were taken up for brief flights.

Features which have not been seen on any plane flown here before are present on the Curtiss Robin. A patented wheel brake enables quick stops and facilitates handling the machine while it is on the ground. A wholly new motor also is introduced by the Robin, which is equipped with the recently perfected Curtiss Challenger Rotary, a six cyclinder engine, capable of maintaining a speed of more than 100 miles and hour.

The Robin was made in St. Louis, Missouri. It has an overall wing spread of 41 ft. and an overall length of 25 ft., empty weight is 1680 lbs and it carries a useful load of 760 lbs. There is a gasoline capacty of 50 gals and oil capacity of 7 gals. A roomy cabin comfortably accommodates two passengers in addition to the crew, and the plane also has a compartment of about 30 cubic feet of space, for carrying baggage.

Members of the Curtiss party who were at the flying field included, besides Major Robertson and his wife, and her sister, Miss Livingston, the following: E. L. Sloniger, expert air mail pilot; Commander R. R. Riggs, legal advisor to the Curtiss Companies; James M. Wilson; A. L. Caperton, air mail pilot, and Messrs. Sherman and Parker, mechanics.

Nanking States the Issue in the Present Crisis

(Special Nanking Correspondence)

Nanking, March 27.—The agreement reached by Minister Yoshizawa and Dr. C. T. Wang, Minister for Foreign Affairs, over the Tsinan Incident, which will be signed during the week is the death blow to the latest adventure of the bandit tuchun Chang Tsung-chang. Due to Japanese occupation of Tsinan-Kiaochow railway zone lying athwart the only route by which the main body of the National Armies can reach the eastern end of the province to suppress the rebellion, Chang had been permitted to stay on sufferance. With all the people of the province deadly against him still remembering the way he bled them during recent years before the arrival of the Nationalist forces, Chang and his army and the paper "Government" will melt away before the advance of the soldiers of Marshal Feng Yu-hsiang, reputed the best trained and disciplined soldiers of the country.

Marshal Feng is now at Chengchow. He, like the rest in China, never took the Chang Tsung-chang adventure seriously.

Of more importance to the people of China is the recent Hunan Incident. This is a test to the strength of the National Government. Now the fact is definitely known that Nanking will not hesitate to chastise the recalcitrant provinces by force. In view of the publication today of the punitive mandate, wellwishers of China are rejoicing over the strong attitude that is taken by the Central authorities. For it means that Nanking is in earnest to have a centralized and unified China; it will not stand on compromises, keeping only the semblance of a union. It decides to deal with the provinces not on the basis of one Government to another, independent of each other in fact; but it decides to deal with them as the sovereign central government to local governments which are bound by restrictions as to their sphere of autonomous power. Foreign circles here also uphold the position assumed by Nanking with the expectation that this chastising will further strengthen the National Government. Well informed circles still hope that the recalcitrant elements may back down at the last minute so that no military measures will be necessary.

The National Government is supported by Marshal Feng Yu-hsiang in regard to this Incident which is a sure indication that the present trouble can not last long. It is so localised that it will have very little effect, if any, on China and the National Government a as whole.

When You Think of PAINT Think of CAMPBELL

H. B. Campbell

46 Szechuen Road,

Shanghai.

American Minister Advises Registration of Trade Marks at Nanking

The long held-up matter of the registration of trade marks with the National Government seems now to have been definitely settled, and according to a recent announcement from the American Consulate General in Shanghai, the American Minister has advised trademark owners to register their trademarks with the National government. The Director of Trademarks at Nanking has informed the American Minister of the procedure to be followed. Trademarks previously registered at Peking are to be accorded registration at Nanking upon the payment of a $10 inspection fee. Trademarks registered with the former Canton bureau are to be transferable upon application at Nanking. The procedure to be followed in the case of trademarks previously applied for is also specified and the American Minister has accepted the communication from the Director of Trademarks as adequate assurance of the treatment to be accorded to American trademarks previously registered.

China Invites Foreign Capital Under Certain Conditions

The Central Political Council at Nanking last week, acting on a proposal submitted by Sun Fo, Minister of Railways, passed a resolution to invite foreign capital in the reconstruction of a new China. The resolution stipulates that under certain conditions which will safeguard China's sovereign rights from being encroached upon, either government or private commercial firms may establish industrial enterprises with the assistance of foreign capital. It provides further that joint stock companies under joint Chinese and foreign management will be permissible. It is, however, stipulated that at least 51 per cent of the stock must be in Chinese hands and the majority of directors must be Chinese.

World Educational Tours for Chinese Students

In view of the recent great success achieved by the American "Floating Universities," a world educational tour arranged exclusively for Chinese students (both male and female) is being arranged to take place in the near future. A specially equipped liner is to leave Shanghai toward the end of this year to return here sometime in May or June of the following year. The project is in the hands of an organization known as World Education Tours, Post Office Box No. 211, Shanghai. The whole tour will occupy about five months, during which the world will be circled and many countries visited and toured.

Proposal Made at Nanking to Abolish Chambers of Commerce

Among the proposals submitted to the Third National Kuomintang Congress at Nanking was one to abolish Chambers of Commerce. This proposal was incidental to a general scheme for the unification of commercial organizations in China introduced by Chen Teh-tsang and Pang Kung-chang. This proposal has aroused the ire of the Associated Chambers of Commerce in Shanghai who in a telegram to Nanking express the opinion that such a proposal is extremely inopportune, adding that "as Imperialism still exists and as the period of constitutionalism still a dream, we consider the continued existence of commercial organizations a necessity.'

Chang Tsung-Chang Defeats Liu Chien-nien and Captures Chefoo

General Liu Chien-nien, the Nationalist commander in the Chefoo area, was defeated March 27 and Chang Tsung-chang's troops began entering the city the same day. Liu Chien-nien evacuated the city without a struggle and was retreating toward Muping, with thousands of General Chang's men in pursuit. Prior to the evacuation from the city General Liu is stated to have notified the Submarine Telegraph and Cable office that he intended to take the telegraph instruments with him on the retreat. The official in charge of the office requested an American naval guard to afford protection.

Sharp Decline in American Stock Prices on New York Exchange

As the result of a strong bear attack on the New York stock market, March 26, there was a sharp tumble in all the leading stocks, with a consequent rush of selling orders unprecedented in the history of the New York Stock Exchange. Eight million shares changed hands, and call money rose to 20 per cent. Loud cheers greeted the president's gong which brought a most memorable day's session to a close. Stocks generally throughout the country suffered a serious decline.